

NWSA CONSOLIDATED UNIONS, PETITIONER, VS. NATIONAL WATERWORKS AND SEWERAGE AUTHORITY, RESPONDENT, JESUS CENTENO, ET AL., INTERVENORS.

G.R. Nos. L-26890-92. May 29, 1970

Ponente: REYES, J.B.L., J.

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REYES, J.B.L., J.:

Review of an order, dated 18 July 1966, ordering the payment of attorney's fees, in Case No. 19-IPA of the Court of Industrial Relations, and of its resolution en banc, dated 22 September 1966, denying reconsideration.

Upon certification in 1957 by the President of the Philippines of the existence of a labor dispute, the case above-mentioned filed by herein petitioner NWSA Consolidated Unions against herein respondent National Waterworks and Sewerage Authority demanding implementation of the 40-Hour Week Law (Republic Act No. 1880), and alleging violations of the collective bargaining agreement dated 28 December 1956, concerning "distress pay"; minimum wage of P5.25; promotional appointments and filling of vacancies of newly created positions; additional compensation for night work; wage increases to some laborers and employees; and strike duration pay. After hearing, the Court of Industrial Relations rendered judgment on 16 January 1961 for the petitioner, which, on appeal, was affirmed, with some modifications, by the Supreme Court in NAWASA vs. NWSA Consolidated Unions, L-18938, 31 August 1964, 11 SCRA 766.

The modified judgment was not implemented due, according to the respondent, to the huge outlay involved, which was about five (5) million pesos. Thus, the petitioner union again went on strike. One more, the dispute was certified by the President of the Philippines and the case was docketed as Case No. 66-IPA in the Court of Industrial Relations. In accordance with a partial decision of the court, based on an agreement of the parties that included the implementation of the decision in Case No. 19-IPA (Annex "I" to Petition), respondent NAWASA appropriated P300,000.00 in compliance therewith. Two lawyers of the petitioner union, Attys. Cipriano Cid and Israel Bocobo, who had participated in both Cases Nos. 19-IPA and 66-IPA, moved for the payment of their attorney's fees. On agreement of the parties, their fees were fixed and ordered paid by the court. A third lawyer, Atty. Atanacio Pacis, who did not appear in Case No. 66-IPA but was a counsel for the union in Case No. 19-IPA as member of the Cid Law firm, from which he later separated, also moved for his fees. His motion was granted in the appealed order of 18 July 1966, issued "pursuant to the order of 27 November 1964", and allowing payment of attorney's fees to Atty. Atanacio E. Pacis "the sum of P18,000.00 corresponding to his 6% Attorney's fee on the P300,000.00 appropriated for payment to workers under the Decision in this case". The 1964 order stated the factual background, on the matter of attorney's fees, as follows:

"Records further show that there exists a contract for professional services entered into, by and between the Consolidated Unions in the NWSA and Cipriano Cid and Associates, providing for a twenty per cent (20%) attorneys' fee for the latter, for any and all sums that may be collected by the unions, in this case, 1/4 or five (5%) of which shall be given to the general fund of the union.

"On 28 July 1961, while the case is still pending motion for reconsideration, an order was issued by the trial judge the dispositive portion of which reads as follows:

"WHEREFORE, the claim of Attys. Cipriano Cid and Atanacio E. Pacis of Twenty Percentum (20%) attorneys' fee is hereby approved and shall be noted as lien upon the amount of money that may be due and payable to the employees involved in the above-entitled case.'

"Three days thereafter, on 21 September 1961, the petitioner union passed a resolution dis-authorizing Atanacio E. Pacis, from handling, this case, as a consequence of his (Pacis) se-paration from the law firm of 'Cipriano Cid and Associates'.

"After the separation of Atty. Pacis from the law firm, Atty. Israel Bocobo another associate took over the prosecution of the case, when the resolution of the Court en banc was appealed by respondent to the Supreme Court.

"It is, therefore, clear that the successful prosecution of the case has to be credited to Atty. Cipriano Cid, as Chief Counsel and to Attys. Atanacio F. Pacis and Israel Bocobo as associates.

"Briefly, the participations of Attys. Cid, Pacis and Bocobo in the prosecution of this case may be given as follows. Atty. Cipriano Cid as chief counsel prepared the basic pleadings. (See Manifestations, dated 5 December 1957) He headed the union panel during the negotiation and he appeared on trial during the initial stage of the proceedings. Atty. Atanacio F. Pacis, on the other hand actively handled the prosecution of the case during the trial on the merits. He was the one who filed the opposition to, the motion for reconsideration filed by the respondent against the decisions of the trial judge. And finally when the resolution of the Court en banc affirming the decisions of the trial judge, was appealed by respondent to the Supreme Court, Atty. Israel Bocobo, handled the appeal. - - - - -.

"- - - - -, this Court is constrained to modify the order of the trial judge dated 26 July 1961, under its power granted under Section 17 Commonwealth Act 103. The previous award (20%) is hereby increased to twenty three percent (23%) to be distributed as follows:

Atty. Cipriano Cid	6%
Atty. Atanacio E. Pacis	6%
Atty. Israel Bocobo	6%
NWSA Consolidated Unions	5%
T o t a l	23%

"Let these amounts therefore be segregated by respondent company from the awards thus granted under this case, and delivered to the persons and/or entity mentioned herein." (Annex "H" to Petition)

This 1964 pronouncement was in effect a violation of the contract between the NWSA Consolidated Unions with their counsel, that provided only for 20 attorneys fees, of which 5 per cent was to go to the general fund of the Unions, as recognized in the order of 28 July 1961, and does not appear to have taken into consideration the circumstances that deter-mine the fees of counsel (Rule 138, section 24) to avoid exploitation of laborers (See Meralco Workers' Union vs. CIR, L-24505, 15 May 1970; but as said order of 27 November 1964 was never appealed or reconsidered, it became final and unalterable. Nevertheless, the Unions appealed the order of 18 July 1966 ordering the payment of Atty. Pacis' share of P18,000.00 (being 6% of the P300,000.00 appropriated by the employer NWSA in partial satisfaction of the workers' claims). This appeal is grounded on the allegation that the action of NWSA was made by virtue of a partial decision in CIR Case No. 66-IPA, and, as Atty. Pacis admittedly had no intervention in said case, and only acted as counsel in the previous Case No. 16-IPA, the appealed order in

effect deprived the Unions of property without due process of law.

We find no merit in the contention of appellant Unions. It is true that the employer appropriated the money pursuant to an agreement reached upon conciliation of the parties by the CIR in Case 66-IPA. But the conciliated stipulation makes it very clear that the appropriation was made to satisfy the Union claims under the Supreme Court's 1964 decision, in Case G. R. No. L-18938, that preceded CIR Case No. 66-IPA. As embodied in the partial decision of 9 March 1966, the conciliated agreement explicitly provided as follows:

"4. As to Item IV: 'The NWSA agrees to implement immediately all courts decision pertaining to NWSA workers specifically G. R. No. L-18938, (CIR 19-IPA, 19-IPA(1) & (2), 27-IPA, 45 -IPA and 52 -IPA, more particularly relative to the following matters:

(1) 25% additional compensation for services rendered on Sundays & Holidays:

(2) 25 additional compensation for distress pay;

(3) Wage differential for those employees whose salaries were diminished in connection with the implementation of the 40-hour-5 days-a-week-law per CIR Case - 19-IPA (1) (Re-7/5 wrong computation);' the parties agreed to the same, with the modification that the obligations roughly estimated as P800,000.00 will be paid in this manner: P300,000.00 would be paid at the end of March, 1966 and the balance of P500,000.00 would be paid on three (3) equal installments on quarterly basis, and that the current obligations are to be met accordingly."

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It will be seen that the paragraph transcribed makes no reference to the "implementation" of Case No. 66-IPA, but explicitly refers to the award in Case No. 16-IPA. And this is logical, since Case No. 66-IPA had not yet been fully decided, and was still under consideration by the labor court. Hence, it is just that Atty. Pacis should share in the 23% counsel fees corresponding to the amounts appropriated by the NWSA under Item IV above-mentioned of the collective bargaining agreement since these were the claims adjudicated in the case wherein he acted as one of the attorneys. No error was, therefore, committed in the appealed order of 18 July 1966.

IN VIEW THEREOF, the appealed order is affirmed, with costs against appellants.

Concepcion, C.J., Dizon, Makalintal, Zaldivar, Fernando, Teehankee, Barredo, and Villamor, JJ., concur.
Castro, J., on leave.

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