

BIENVENIDO PACIA, PLAINTIFF AND APPELLANT, VS. KAPISANAN NG MGA MANGGAGAWA SA MANILA RAILROAD COMPANY, DEFENDANT AND APPELLEE. VICENTE VIÑAS AND GUILLERMO ORBETA, PLAINTIFFS AND...

G.R. Nos. L-8787-88. May 11, 1956

Ponente: CONCEPCION, J.

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CONCEPCION, J.:

These two cases were jointly tried before, and decided by, the Court of First Instance of Manila, the questions involved therein being identical.

Defendant Kapisanan ng mga Manggagawa sa Manila Railroad Company, is a duly registered labor union and relief association, composed as its name indicates, of employees of the Manila Railroad Company, hereinafter referred to as the company. Bienvenido Pacia, plaintiff in case G. R, No. L-8787, and Vicente Vinas and Guillermo Orbeta, plaintiffs in case G. R. No. L-8788, were members of said association: Pacia, from May 1946 to June 1951, when he was dismissed, from the service of the Manila Railroad Company for prolonged absence; Vinas, from April 1946 to September 10, 1952, when he was dismissed by the company, for "falsification. and conversion of the amount of P6.40"; and Orbeta, from May 1946 to December 24, 1952, when he was dismissed, with prejudice to future reinstatement, for theft of one can of lubricant.

At the time of said dismissals of plaintiffs herein, Article VI, section 1, paragraph (f) of the Constitution and by-laws of the defendant, which had been approved in 1950, provided that any member separated from the service of the company shall be given by the defendant a gratuity of P1,000.; if he had served the company continuously for forty years, and that, otherwise, he shall have a gratuity of P100 for each year of service, not exceeding the aggregate amount of P1,000. So, after their aforementioned dismissals, plaintiffs filed, with the defendant, their respective claims for gratuity: Pacia, in April 1952; Vinas, on June 30, 1953; and Orbeta, on January 30, 1953, although the last two plaintiffs had made their verbal claims before the dates stated after their respective names. Defendant rejected these claims for gratuity, upon the ground that plaintiffs had been dismissed for cause. Hence plaintiffs instituted these two cases, in the Court of First Instance of Manila, for the recovery of the gratuities allegedly due them under the aforementioned provision of defendant's constitution and by-laws, as approved in 1950.

The only defense set up in defendant's answer is that,. having been dismissed for cause, plaintiffs are not entitled to gratuity under the provisions of said constitution and by-laws, as amended on March 27, 1953, which amendment is said "to have a retroactive effect" (Record on Appeal, pp. 7 and 24). It appears that, as amended on the date last mentioned, defendant's members dismissed by the company for breach of the laws in force in the Philippines or of the rules or regulations of the company, involving moral turpitude, such as, larceny, fraud, deceit and complicity in the commission of similar offenses, were excluded from the benefits of the gratuity above referred to. The only issues submitted for determination and passed upon by the Court of First Instance of Manila

was, accordingly, whether said amendment had retroactive effect. In disposing of these two cases, said court, therefore, stated:

"The only question now before the court is: Shall the amendment to the by-laws of the association promulgated on March 27, 1953, have a retroactive effect?"

"The court holds and so sustains that said amendment has a retroactive effect because when' one becomes a member of an association, he submits himself to the rules, regulations and by-laws of said association; and as long as the by-laws of said association are promulgated and approved legally, then there is no question that it has a retroactive effect. Since the plaintiffs in these cases do not question the legality or the propriety of the amendment to the by-laws of the association upon which they now claim compensation, they are not, under the rules, regulations and by-laws of the association, entitled to the compensation which they now demand and claim"

"In view of the foregoing, the case is hereby dismissed, without pronouncement as to costs."

Plaintiffs in both cases have appealed from this decision, upon the ground that, having been dismissed by the company prior to the aforementioned amendment, the same should not, and cannot, be applied to them. This contention is well taken for:

- Every amendment is deemed to have a prospective effect, in the absence of express or clear provision to the contrary, which does not exist in the cases under consideration.
- The right of plaintiffs, Pacia, Viñas and Orbeta, to gratuity, under defendant's constitution and by-laws, as approved in 1950, accrued upon their separation from the service, on June 1, 1951, September 10, 1952, and December 24, 1952, respectively. Hence, even if the amendment adopted on March 27, 1953, had provided for its retroactive operation, it would have been null and void, and, accordingly, ineffective, insofar as it affected the right thus previously vested in plaintiffs herein, for the defendant could not, and cannot, by its unilateral act, impair its contractual obligations. The questionable character of defendant's contention becomes more apparent when we consider that the amendment in question was adopted eleven months after the filing of the claim of plaintiff Pacia, and about two months after the submission of the formal claim of plaintiff Orbeta. Had said amendments been meant to operate retrospectively, it would appear as if the approval thereof by the defendant had been prompted by a desire to evade or defeat said pending and other similar claims.

In this connection, it should be noted, also, that, contrary to defendant's pretense, the aforementioned gratuity is not an act of liberality or donation on its part, because its members—like those of any other labor union and relief association—are required to pay dues, in consideration of the rights and privileges attached to their membership, including, in the present cases, the gratuity in question. Moreover, if said gratuity were regarded as a donation, it would be one "with an onerous cause" which is "governed by the rules on contracts" (Article 733, Civil Code of the Philippines). At any rate, even a pure and simple donation, or a promise to donate, for a valuable consideration, once accepted, is binding upon the donor or promisor, who may not revoke or withdraw it, at pleasure, either totally or partially.

It is urged by the defendant that it is "implicit" in the provisions of the constitution and by-laws thereof that its members shall serve the company honestly, faithfully and satisfactorily. In support of this proposition, defendant quotes, in its brief, alleged portions of said constitution and by-laws, which are said to have been taken from its preamble and the provisions relative to the objectives of the union and the duties of its members. However, said alleged portions of the constitution and by-laws were not introduced, or even offered in evidence in the lower court, to which these cases were submitted for decision upon stipulations of facts, in which only paragraph (f) of section 1 of Article VI of said instrument, as adopted in 1950, and the amendment thereof, approved on March 27,

1953, were transcribed. Besides, defendant's answer in both cases and said stipulations of facts had the effect of limiting the issue to the question whether said amendment operated retrospectively. This, in turn, implied that, as understood and construed by the very defendant, plaintiffs were entitled to the gratuity in question, before said amendment. Indeed, the same would have been unnecessary if the condition therein provided were already imposed in the constitution and by-laws, prior thereto. Independently of the foregoing, defendant may not now be permitted to change fundamentally, much less reverse the nature of its defense.

Considering that plaintiffs Pacia, Vinas and Orbeta, . had been in the .service of the company for 5 years, 6 years and 5 months and 6 years and 7 months, respectively, it follows that, under the provisions of paragraph (f) of section 1, Article VI, of said constitution and by-laws, as it was in force at the time of their dismissal by the company, said plaintiffs are entitled to collect from the defendant the sums of P500, P640 and P656, respectively.

Wherefore, the decision appealed from is hereby reversed, and another one shall be entered sentencing the defendant to pay to plaintiffs Bienvenido Pacia, Vicente Viñas and Guillermo Orbeta, the aforementioned sums of P500, P640 and P656, respectively, with interest thereon, at the legal rate, from December 10, 1953, as to the first sum, and from February 20, 1954, as to the last two sums, these being the dates of the filing of their respective complaints. The defendant shall, also, pay the costs. It is so ordered.

Paras, C. J., Bengzon, Montemayor, Jugo, Bautisia Angelo, Labrador, Reyes, J. B. L., and Endencia, JJ., concur.

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