

ORIENTAL TIN CANS WORKERS UNION-PAFLU, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS, ORIENTAL TIN CAN AND METAL SHEETS MANUFACTURING COMPANY, ORIENTAL CORRUGATED FIBRE BOARD BO...

G. R. No. L-17695. February 26, 1965

Ponente: BENGZON, J.P., J.

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BENGZON, J.P., J.:

A petition to enforce observance of the check-off system was filed on March 2, 1959 by the Oriental Tin Cans Workers' Union-PAFLU in the Court of Industrial Relations. Named respondents were "Oriental Tin Can and Metal Sheets Manufacturing Company, Oriental Corrugated Fibre Board Box Corporation and or Chua Tee (General Manager)".

Among other things, the petition alleged that some of petitioner's members employed by respondents had signed individual check-off authorizations; that petitioner requested in its (letters of February 9, 1959 and February 21, 1959 that respondents check-off the union dues of the aforesaid members; that respondents have refused to do so; and that "such refusal of the respondents to check-off petitioning union's dues will most likely effect a strike".

Respondents filed their "Answer To Petition" on March 16, 1959; but thereafter filed a motion to dismiss, dated June 2, 1959, on the ground that "the Court of Industrial Relations has no jurisdiction over the subject-matter of the petition".

An opposition to the motion and a reply thereto were filed. After hearing, Judge Tabigne of the Court of Industrial Relations issued, on September 8, 1959, an order dismissing the petition. On September 17, 1959, petitioner moved for reconsideration. By a three-to-two vote, the Court of Industrial Relations, en banc, per resolution of February 19, 1960, sustained the dismissal and denied the motion for reconsideration.

Petitioner has come to this Court by petition for certiorari to review the afore-stated order and resolution of the Court of Industrial Relations.

The point at issue is whether jurisdiction to enforce check-off authorized by employees in writing pertains to the Court of Industrial Relations.

Republic Act 875, effective June 17, 1953, has curtailed the broad jurisdiction of the Court of Industrial Relations under Commonwealth Act 103. As this Court stated in *Campos vs. Manila Railroad Company*, L-17905, May 25, 1962.

"We may, therefore, restate, for the benefit of the bench and the bar, that in order that the Court of Industrial Relations may acquire jurisdiction over a controversy in the light of Republic Act No. 875, the following circumstances must be present: (a) there must exist between the parties an employer-employee relationship, or the claimant must seek his reinstatement; and (b) the controversy must relate to a case certified by the President to the CIR as one involving national interest, or must have a bearing on an unfair labor practice

charge, or must arise either under the Eight-Hour Labor Law, or under the Minimum Wage Law."

Petitioner contends that the controversy in question arises under Section 10 of Republic Act 602, that is, under the Minimum Wage Law.

Section 10 of. Republic Act 602 provides:

"SEC. 10. Direct Payment of Wages.—

* * * * *

"(b) Wages, including wages which may be paid retroactively or whatever reason, shall be paid directly to the employee to whom they are due, except:

"(3) In cases where the right of the employees or his union to check-off has been recognized by the employer or authorized in writing by the individual employees concerned."

It is true that this Court has ruled that Section 10 aforementioned imposes a statutory duty upon the employer to check-off union dues when employees so authorize such check-off in writing (*A.L. Ammen Transportation Co., Inc. vs. Bicol Transportation Employees Mutual Association*, 91 Phil. 649; *Manila Trading & Supply Company vs. Manila Trading Labor Association*, 93 Phil. 288; *Prisco vs. CIR*, 102 Phil. 515). Nonetheless, with the effectivity of Republic Act 875, not every case that arises under the Minimum Wage Law falls within the Court of Industrial Relations' jurisdiction.

Section 7 of Republic Act 875 states:

"SEC. 7. Fixing Working Conditions by Court Order.- In order to prevent undue restriction of free enterprise for capital and labor and to encourage the truly democratic method of regulating the relations between the employer and employee by means of an agreement freely entered into in collective bargaining, no court of the Philippines shall have the power to set wages, rates of pay, hours of employment, or conditions of employment except as in this Act otherwise provided and except as is provided in Republic Act Numbered Six hundred two and Commonwealth Act Numbered Four hundred forty-four as to hours of work."

Now, under the Minimum Wage Law, Republic Act 602, the Court of Industrial Relations has jurisdiction only in two cases, namely, those provided in Section 16, subsections (b) and (c):

"Sec. 16. -Jurisdiction of the courts.— (a) The Court of First Instance shall have jurisdiction to restrain violations of this Act; action by the Secretary or by the employees affected to recover underpayment may be brought in any competent Court, which shall render its decision on such cases within fifteen days from the time the case has been submitted for decision; in appropriate instances appeal from the decisions of these courts on any action under this Act shall be in accordance with applicable law."

"(b) In the event that a disputed case before the Court of Industrial Relations involves as the sole issue or as one of the issues a dispute as to minimum wages above the applicable statutory minimum, and the Secretary of Labor has issued no wage order for the industry or locality applicable to the enterprise, the Court of Industrial Relations may hear and decide such wage issue; Provided, however, That the Secretary of Labor shall not undertake to fix the minimum wage for an industry or branch thereof which involves only a single enterprise as a single employer.

"(c) Where the demands of minimum wages involve an actual strike, the matter shall be submitted to the Secretary of Labor, who shall attempt to secure a settlement between the parties through conciliation. Should the Secretary fail within fifteen days to effect said settlement, he shall indorse the matter together with other issues involved, to the Court of Industrial Relations which will acquire jurisdiction on the case including the minimum wages issue, and after a hearing where the views of the Secretary of Labor will be given, will decide the case in the same

manner as provided in other cases. The decision shall be rendered by the court en banc within fifteen days after the case has been submitted for determination, and its finding of facts shall be conclusive if supported by substantial evidence, and shall be subject only to an appeal by certiorari."

The point, in fact, is not of first impression. In *Valleson, Inc. vs. Tiburcio*, L-18185, September 28, 1962, this Court ruled that "for the Court of Industrial Relations to have jurisdiction over a minimum wage case, it is necessary, either that the wage therein claimed be 'above the statutory minimum,' or, else, that the demand of minimum wage therein made 'involves an actual strike'". The same pronouncement was made in *Magdalena Estate, Inc. vs. Bangilan*, L-16357, April 22, 1963v

"On the other hand, the Industrial Court has jurisdiction, pursuant to Section 16, subsections (b) and (c), 'in the event a case . . . involves as sole issue or as one of the issues a dispute as to minimum wages above the applicable statutory minimum . . . ; and 'where the demands of minimum wages involve an actual strike . . . ' The case at bar does not fall under either of the two categories."

The present case, similarly, fall outside Section 16, sub-sections (b) and (c) of Republic Act 602. There is no dispute here as to minimum wage above the applicable statutory minimum and there is no actual strike involved.

WHEREFORE, the order and resolution under review are hereby affirmed, with costs.

SO ORDERED.

Bautista Angelo, Concepcion, Reyes, J.B.L., Barrera, Paredes, Dizon, Regala, Makalintal, and Zaldivar, JJ., concur.

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