

BENGUET CONSOLIDATED MINING COMPANY, PETITIONER, VS. COTO LABOR UNION (NLU), RESPONDENT.

G.R. No. L-12394. May 29, 1959

Ponente: BAUTISTA ANGELO, J.

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BAUTISTA ANGELO, J.:

This is a petition for certiorari seeking to set aside the order entered on December 31, 1956 by the Hon. Judge Jose S. Bautista, Presiding Judge, Court of Industrial Relations, denying the motion to dismiss filed by petitioner on the ground of lack of jurisdiction as well as the resolution of said court en banc dated January 8, 1957 affirming the aforesaid order.

On May 7, 1956, respondent union declared a strike against petitioner. The strike was preceded by negotiations between respondent union and petitioner regarding the case of 23 union members whom petitioner previously dismissed for cause, and of 12 other union members who were suspended for absenting themselves without leave in violation of the company regulations.

Shortly after the strike was declared, the Conciliation Service of the Department of Labor took cognizance of the dispute and tried to effect a settlement between petitioner and respondent union. On July 26, 1956, while the negotiations were still in progress, counsel for respondent union wrote the Secretary of Labor requesting that the dispute be referred to the Court of Industrial Relations for compulsory arbitration pursuant to the provisions of Section 16 (c) of the Minimum Wage Law (Republic Act 602). Heeding counsel's request, the Secretary of Labor, on August 8, 1956, wrote Presiding Judge Jose S. Bautista of the Court of Industrial Relations informing him that he is endorsing the dispute to said court pursuant to "Sections 1 and 4, Commonwealth Act No. 103, as amended, in conjunction with Section 16 (c), Republic Act No. 602, as amended, and Section 7, Republic Act No. 875." Acceding to the endorsement of the Secretary of Labor, Judge Bautista accepted the dispute, had it docketed as Case No. 1029-V, and ordered summons to be issued to petitioner.

Shortly upon receipt of the summons, petitioner filed a motion to dismiss based, among others, on the following grounds: (1) "that the demand mentioned in Section 16 of the Minimum Wage Law is one for the payment of minimum wage above the statutory minimum, and not for the recovery of wage differentials"; and (2) "That Section 7 of Republic Act 875 has repealed the provision of Section 16 (c) of the Minimum Wage Law so that the Court of Industrial Relations had no jurisdiction over the case of the union members dismissed and suspended by petitioner."

Respondent union opposed petitioners' motion to dismiss contending, among others, that its claim against petitioner is one for payment of minimum wage and since this claim is one of the issues involved in the strike of May 7, 1956, the Court of Industrial Relations has jurisdiction over the case under Section 16 (c) of Republic Act 602.

On December 13, 1956, after hearing, Judge Bautista issued an order denying petitioner's motion to dismiss. He held that the dispute between petitioner and respondent "refers to minimum wages for the members of the

petitioning union claim that deductions from their wages had been made in violation of the Minimum Wage Law and consequently, the wages were reduced below the statutory limit", and that all the conditions required by Section 16 (c) of the Minimum Wage Law are present thus giving jurisdiction to the Court of Industrial Relations to entertain the case. He further held that respondent union's claim also refers to "non-payment of overtime premium" and under Section 7 of Republic Act 875, said court has jurisdiction to act on cases involving the Eight-Hour Labor Law (Commonwealth Act No. 444).

Dissatisfied with said order, petitioner filed a motion for reconsideration reiterating practically the grounds already advanced in its motion to dismiss, but the Court of Industrial Relations en banc denied the motion in a resolution entered on May 21, 1957, Judges Bautista, Villanueva and Tabigne voted to sustain the court's jurisdiction over the case. Judge Lanting and Martinez dissented from the majority ruling. Hence the present petition for review by way of certiorari.

The questions raised by petitioner are:

- "1. Is a claim for the refund of illegal deductions from salaries and for underpayment of overtime premium a demand for minimum wage?
- "2. Does the Court of Industrial Relations have jurisdiction to try and decide cases for the recovery of illegal deductions and overtime premium?
- "3. May a case endorsed by the Secretary of Labor to the Court of Industrial Relations pursuant to Section 16 (c) of the Minimum Wage Law be heard by a single judge of the said court?
- "4. May the Court of Industrial Relations take cognizance of the issue of the reinstatement of dismissed and suspended union members in a case endorsed by the Secretary of Labor under Section 16 (c) of the Minimum Wage Law?"

With regard to the first point, petitioner argues: "The claim of respondent union for wage differentials is not a demand for the payment of a minimum wage. Minimum wage is the rate of pay, established either by statute or by minimum wage order, payable to a worker or to a particular class of worker. The wage differentials claimed by respondent union are for alleged illegal deductions, and underpayment." The first item consists of amounts deducted by petitioner from the wages of its employees for the value of the sundry facilities, such as housing, rice, light, water, etc., furnished by petitioner which respondent union claims is not supported by the corresponding evaluation order of the Department of Labor. The second item refers to overtime compensation which respondent union claims has not been correctly computed. From these arguments, petitioner draws the inference that there is no dispute as to the basic wages paid by petitioner to its employees and so the case does not come within the jurisdiction of the Court of Industrial Relations.

In claiming jurisdiction over the dispute¹ between petitioner and respondent union, the industrial court invokes Section 16 (e) of the Minimum Wage Law, which provides:

"(c) When 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 in 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"

Analyzing the above-quoted provision, it would appear that the elements that must concur to confer jurisdiction

upon the Court of Industrial Relations are: (a) a demand for minimum wages; (b) the demand must involve actual strike; (c) submission of the matter to the Secretary of Labor for settlement; (d) failure of the Secretary of Labor to effect settlement within 15 days; and (e) endorsement of the dispute "together with other issues involved" to the Court of Industrial Relations.

That these elements are present in the instant case, can not be disputed. As the respondent court has said, "The dispute in the instant case refers to minimum wages for the members of the petitioning union claim that deductions from their wages had been made in violation of the Minimum Wage Law and consequently, the wages were reduced below the statutory limit." This is an incident which really affects the minimum wages to which union members are entitled, and the court called upon to determine it is certainly the Court of Industrial Relations. This is more so in this case where the parties have already fixed the conditions of employment in a collective bargaining agreement entered into between them and the question that arises is whether said conditions had been complied with. And this Court has already ruled that the Court of Industrial Relations has the exclusive jurisdiction to enforce collective bargaining contracts (*Panbujon Sur United Mine Workers vs. Samar Mining Co., Inc.*, 94 Phil., 932; 50 Off. Gaz., [6] 2449). This conclusion is also in line with what this Court has said in another case with regard to the extent of jurisdiction of the industrial court.

"But this board jurisdiction (of the Court of Industrial Relations under Commonwealth Act No. 163) was somewhat curtailed upon the approval of Republic Act 875, the purpose being to limit it to certain specific cases, leaving the rest to the regular courts. Thus, as the law now stands, that power is confined to the following cases: (1) when the labor dispute affects an industry which is indispensable to the national interest and is so certified by the President, to the industrial court (Section 10, Republic Act 875); (2) when the controversy refers to minimum wage under the Minimum Wage Law (Republic Act 602); (3) when it involves hours of employment under the Eight-Hour Labor Law (Commonwealth Act 444); and (4) when it involves an unfair labor practice (Section 5, (a), Republic Act 875)." (*Philippine Association of Free Labor Unions, et al. vs. Hon. Bienvenido A. Tan, et al.*, 99 Phil., 854; 52 Off. Gaz., [13] 5836; *Italics supplied*)

With respect to the second point, it is true that with regard to cases of underpayment of wages, the law provides that the same should be brought to the proper court of first instance and not to the Court of Industrial Relations [Section 16 (a), Republic Act 602], but the present dispute does not merely involve an underpayment but the propriety of the deductions made by petitioner from the wages of its employees for sundry facilities extended to them. Since these deductions may affect the minimum wages which said employees may be entitled, the incident evidently comes under the jurisdiction of the Court of Industrial Relations.

We agree with the claim of petitioner that whenever the Secretary of Labor endorses a dispute to the Court of Industrial Relations concerning a demand for minimum wage which involves an actual strike, the same should be acted upon by the court en banc as provided for by law [Section 16 (c), Republic Act 602], but this claim is now of no consequence it appearing that the decision of Judge Bautista was affirmed by the court en banc.

Finally, the claim that under Section 7 of Republic Act 875 the Court of Industrial Relations has already been divested of its power to take cognizance of other issues involved in a dispute concerning demand for minimum wages under Section 16 (c) of the Minimum Wage Law because said Section 7 provides that "No court of the Philippines shall have the power to set wages, rates of pay, hours of employment or conditions of employment", is untenable for the same overlooks the fact that said section contains an exception insofar as minimum wages and over time payments are concerned. This is inferred from the following clause of said Section 7: "except as in this Act is 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."

Wherefore, petition is denied, with costs against petitioner.

Paras, C. J., Bengzon, Montemayor, Reyes, A., Labrador, Concepcion, and Endencia, JJ., concur.

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