

**NATIONAL MINE & ALLIED WORKER’S UNION,
PLAINTIFF AND APPELLANT, VS. PHILIPPINE IRON MINES, INC., ET
AL., DEFENDANTS AND APPELLEES.**

G.R. No. L-19372. October 31, 1964

Ponente: REGALA, J.

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REGALA, J.:

On November 9, 1957, the National Mines and Allied Workers Union filed a complaint against the Philippine Iron Mines, Inc. and the latter's resident manager, Jose D. Cuyugan, alleging that, in violation of their collective bargaining agreement, particularly its provision on seniority, the company and its resident manager laid off seven members of the union without just cause. The case was filed in the Court of First Instance of Camarines Norte.

For its part, the company, while admitting that it had laid off the employees in question, justified its action as an exercise of its power under the collective bargaining agreement giving it the right "to manage the mines and plants and to direct the working forces, including, but not limited to, the right to hire, to transfer, to lay off or relieve employees from duty because of lack of work or for other legitimate reasons, to schedule the work, control and regulate the use of all equipment and other property of the company, as well as to suspend, discharge, lay off, or to take disciplinary action against any employee who violates any of the company's working rules or regulations."

The company further alleged that it was precisely to avoid disputes such as this one that it caused to be annexed to collective bargaining agreement a letter it had written the union, in which it stated "that to avoid any future misunderstanding, we wish to reiterate our previous statements to you that there is presently a considerable number of excess personnel at the Mine. After satisfying ourselves as to the extent thereof, it is our intention to exercise our inherent prerogative, acknowledged in the agreement, by taking such action in correction thereof as we may deem necessary."

After trial, the lower court dismissed the complaint. It held:

"When the Collective Bargaining Agreement was executed and signed on March 27, 1956, the plaintiff was made to understand that there was a considerable number of excess personnel at the mine which the defendant company was intending or had in mind to lay off. The plaintiff granted the defendant company the exclusive prerogative of finding the extent of the excess and of selecting the employees and laborers to be laid off (Art III, Sees. 1 and 2 of the Collective Bargaining Agreement). There is no proof that the defendant Resident-Manager did not observe the prerogative in accordance with Sec. 1, Art. XIV of the said Collective Bargaining Agreement. On the contrary, the evidence is clear that the defendant Jose D. Cuyugan judiciously and conscientiously deliberated on the matter and the lay off was not the product of somebody's whims and caprices. In the circumstances, it is the considered opinion of this Court that the defendants did not violate the provisions of the Collective Bargaining Agreement."

The union appealed to the Court of Appeals contending that:

"I. THE LOWER COURT ERRED IN HOLDING THAT TUB LAY-OFF OR DISMISSAL OF PRIMO JALIMAO, FRANCISCO BASINAL. LORENZO ORTIMERO, SANTIAGO BADAD AND FAUSTO VILLAROSA DID NOT VIOLATE THE TERMS OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN PLAINTIFF AND DEFENDANT REGARDING SENIORITY.

"II. THE LOWER COURT ERRED IN DISMISSING THE COMPLAINT WITH COSTS AGAINST THE PLAINTIFF."

The Court of Appeals obviously did not find it necessary to pass upon these assignments of errors. In its opinion, the case for the union could be turned down on the ground of jurisdiction, that is, that following our ruling in *Price Stabilization Corp. vs. Court of Industrial Relations, et al.*, 108 Phil., 134, May 23, 1960, since this case is one for reinstatement of laid-off employees, the union's complaint should have been filed in the Court of Industrial Relations and not in the Court of First Instance of Camarines Norte.

Only the thought that under the law¹ this Court has the exclusive appellate jurisdiction over cases in which the jurisdiction of inferior courts is in issue made it hesitate dismissing the appeal on that ground and instead certify the appeal to this Court.

It is true that in the *Prisco* case and other subsequent cases, We held that where the employer-employee relationship is still existing or is sought to be re-established because of its wrongful severance (as where the employee seeks reinstatement), the Court of Industrial Relations has jurisdiction over all claims arising out of, or in connection with, the employment, such as those related to the Minimum Wage Law and the Eight-Hour Labor Law. But We also explained after this case had been certified to us 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 Court of Industrial Relations 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. In default of any of these circumstances, We stated that the claim becomes a mere money claim that comes under the jurisdiction of the regular courts.^[2]

Thus it was held in several cases^[3] that a mere claim for reinstatement does not suffice to bring a case within the jurisdiction of the Court of Industrial Relations. It is necessary also that the case be one of the four cases enumerated. The reason for this is that reinstatement may only be ordered in two cases: (1) In those cases where the Court of Industrial Relations may still exercise its general powers of arbitration, mediation and conciliation under Commonwealth Act No. 103 and (2) in unfair labor practice cases where after trial the Court of Industrial Relations finds the respondent guilty as charged.

Here, while there is a prayer for reinstatement, it is not alleged that the lay off of the union members was due to any unfair labor practice. Neither is this case in connection with any claim under the Eight-Hour Labor Law or Minimum Wage Law. Nor is this case involving national interest.

Moreover, this Court has held that the industrial court has jurisdiction to enforce a collective bargaining agreement only if the subject matter of the contract sought to be enforced refers to a labor dispute affecting an industry indispensable to the national interest and the case is certified to the Court of Industrial Relations by the President, or when it involves minimum wage, hours of employment or unfair labor practice.^[4]

We hold therefore that the complaint was correctly filed in the Court of First Instance of Camarines Norte. Considering that this appeal raises factual questions and the amount involved does not exceed P200,000, the same

was likewise properly taken to the Court of Appeals.

WHEREFORE, this case is returned to the Court of Appeals.

Bengson, C. J., Bautista Angeles, Concepcion, Reyes J. B. L., Paredes, Makalintal, Bengzon, J. P., and Zaldivar, JJ., concur.

[1] Section 17(5) (3), Judiciary Act of 1948.

[2] See Campos, et al. vs. Manila Railroad Co., G.It. No. L-17905, ay 25, 1962.

[3] Barranta vs. International Harvester Co. of the Phils., G.R. No. L-18198, April 22, 1953. See also Araullo vs. Monte de Piedad, et al., G.R. No. L-17840, April 23, 1963; Tamayo vs. San Miguel Brewery, Inc., G.R. No. L-17749, Jan. 31, 1964.

[4] Elizalde Paint & Oil Factory, Inc. vs. Bautista et al. 110 Phil. 49.

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