

PHILIPPINE EDUCATION CO., INC., PETITIONER VS. COURT OF INDUSTRIAL RELATIONS AND UNION OF PHILIPPINE EDUCATION EMPLOYEES (NLU), RESPONDENTS.

G.R. No. L-7156. May 31, 1955

Ponente: BAUTISTA ANGELO, J.

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BAUTISTA ANGELO, J.:

This is a petition for review of a decision of the Court of Industrial Relations rendered on July 27, 1953 in Cases Nos. 791-V and 791-V(?) which declares the strike staged by the members of the Union of Philippine Education Employees on January 16, 1953 legal while, on the other hand, it declares the lay-off made by the Philippine Education Co., Inc. of nineteen (19) of its employees discriminatory and unjust and, as a consequence, it orders said company to reinstate said employees, with the exception of three (3), with payment of their salaries during their separation.

The two cases above adverted to in reality constitute only one which arose from the lay-off by the company of nineteen (19) employees belonging to the Union of Philippine Education Employees and protest against said lay-off the union staged a strike on January 16, 1953. The two cases were heard together but only one decision was rendered therein.

The two cases are merely incidents to several previous cases between the same parties which have not yet been terminated; One of said cases which was filed by the union on August 9, 1950 involves the dismissal of Jacinto Fabron and Juanito Carandang, president and secretary, respectively, of the union which caused the members of said union to strike on August 10, 1950 [Case No. 489-V(1)]. After due hearing the court found the dismissal unwarranted and the strike legal, but while it ordered the reinstatement of Fabron and Carandang, the court refused to decree the payment of their back salaries, and it was from that portion of the decision that they appealed to this Court. On March 31, 1952, this decision was affirmed (G.R. No. L-4423). In connection with that case, in order to settle the strike declared by the union, the parties reached an agreement, which was made the basis of an order of the court on August 14, 1950, which contains, among others, the following stipulation:

"That during the pendency of this case, the laborers shall not declare a strike and the respondent company, on the other hand, shall not dismiss, lay-off or suspend any of its employees without just cause and the express authority of the Court x x x."

Another incident which arose prior to the one involved in the instant two cases is that which relates to a petition of the company for authority to reduce its personnel by 50% on the ground that the volume of its business was greatly impaired due to the imposition of the import and exchange controls by the government. This case has not yet been finally terminated as the same is still pending hearing before the court *quo*. But on October 30, 1951, a peremptory order was issued by the court authorizing the company to lay off some of its daily paid employees numbering thirty (30) whose names were taken from a list submitted by the company itself. This incident is herein mentioned because of its direct bearing on the issues raised in the two cases under consideration.

The issues raised by the parties filed in the two cases which formed the basis of the decision of the court are: (1) is the action of the company in laying-off nineteen of its employees justified?; and (2) is the strike declared by the union legal?

With regard to the first issue, the court found that the lay-off of the nineteen employees, with the exception of the three, was discriminatory and unjust, and with regard to the second, it found it to be legal, and, as a consequence, it ordered the reinstatement with back pay of the sixteen (16) employees whose names were mentioned in the decision. It is from this decision that the company interposed the present petition for review.

One of the points raised by the petitioning company is the finding of the court a quo that the lay-off made by said company of nineteen of its employees was discriminatory and unjust and done in bad faith because it did so in violation of its order of August 14, 1950 which provides that no employee shall be dismissed without previous authority of the court. The company contends that this finding is unwarranted because the order adverted to had ceased to have force and effect because the case in which it was issued has already been finally decided on March 31, 1952 (G. R. No. L-4423).

This contention is not devoid of merit for it indeed appears that when the lay-off of the nineteen employees of the company was declared on January 15, 1953, the case wherein the order of August 14, 1950 was entered had already been finally terminated and it stands to reason that the same lost its force when the case that gave it life was finally decided by this Court.

But we find that that was not the only reason why the lay-off was considered unwarranted and unjust but because it was made in disregard of the order of the court a quo of October 30, 1951 in relation to the company's petition for authority to lay off 50% of its employees filed way back in August, 1950 (Case No. 789-V(2)). It should be stated that in that case the company submitted a list of employees it wanted to lay off out of which the court approved thirty who were being paid on a daily basis and, on that account, were considered as temporary employees. While that order was merely temporary because negotiations were still going on as regards the manner to be followed in the selection, of the employees to be eliminated in view of the substantial decrease in the volume of business of the Company, the company proceeded to decree the elimination of the nineteen employees herein involved, not only without previous authority of the court, but even in disregard of said order which at that time was considered as the basis or pattern to be followed in the elimination of future employees in the absence of a better arrangement as a result of which the members of respondent union struck on January 16, 1953. Indeed, as the court a quo found, out of the nineteen persons laid-off by the company, only eight were taken from among those for whose lay-off the company had asked for authority from the court and only one from the thirty authorized by the court to be laid off. The court also found, - and this fact was found of great weight - that, like in the previous cases of dismissals or lay-offs, almost all of the victims are union men, or to be more specific, out of the nineteen laid-off employees, eighteen are members of the union and only one is not. And in effecting the elimination of said employees the management did not even take up the matter with the union officers.

It is true that "an employer has a right to select his employees and to decide when to engage them", or "he has a right under the law to full freedom in employing any person free to accept any employment from him and this, except as restricted by a valid statute or a valid contract, at a wage and under conditions agreeable to them", and that, "he may refuse to employ whomever he may wish, irrespective of his motive, and x x x has the right to prescribe the terms upon which he will consent to the relationship, and to have them fairly understood and expressed in advance." (31 Am. Jur., Section 9, p. 837.) To all this we agree with counsel for the company, But what we say is that this right has its limitations after the relation of labor and capital has been established. Once this relationship is established, labor has some rights to protect. Thus, it has been held that "The right to labor is a constitutional as well as a statutory right. Every man has a natural right to the fruits of his own industry. A man

who has been employed to undertake certain labor and has put into it his time and effort is entitled to be protected. The right of a person to his labor is deemed to be property within the meaning of constitutional guarantee. That is his means of livelihood. He cannot be deprived of his labor or work without due process of law." (Philippine Movie Pictures Workers' Association v. Premiere Productions, Inc. G. R. No. L-5621, March 25, 1953.) This is what the court a quo has done. It merely saw to it that the right of the laid-off employees be protected and be not the subject of discrimination. As a proof that the court a quo acted carefully and justly is its finding that three of the laid-off employees deserve elimination.. We find that the court a quo did not abuse its discretion in acting on the matter.

Another point raised by counsel is the finding that the strike staged by the union on January 16, 1953 is legal in spite of the fact that the union knew full well that the company was in financial difficulties and in carrying out the strike some of its members resorted to acts of violence upon non-striking members merely because they refused to join the strike.

In determining when a strike should be declared legal or otherwise, this Court laid down the following ruling:

"In cases not falling within the prohibition against strikes, the legality or illegality of a strike depends upon the purpose for which it is maintained, and, second, upon the means employed in carrying it on. Thus, if the purpose which the laborers intend to accomplish by means of a strike is trivial, unreasonable or unjust (as in the case of the National Labor Union, Inc. vs. Philippine Match Company, supra), or if in carrying on the strike the strikers should commit violence or cause injuries to persons or damage to property (as in the case of National Labor Union, Inc. vs. Manila Gas Corporation, 40 Off. Gaz. 37), the strike, although not prohibited by injunction, may be declared by the court illegal with the adverse consequences to the strikers." (Luzon Marine Department Union vs. Roldan, et al., G.R. No. L-2660, May 30, 1950.)

Was the purpose for which the union struck trivial, unreasonable or unjust?

The court a quo did not find it so. It found that the union staged a walk-out because it believed, rightly or wrongly, that the lay-off of the nineteen employees was illegal as being in violation of an order of the court which prohibited the lay-off of any employee without previous authority from the court. It likewise believed that said employees were the victims of discrimination simply because most of them were members of the union, and considering that the management violated a court order which in its opinion was still valid and in force the members of the union resorted to the only means allowed to them by law: strike. Under the circumstances, we are of the opinion, as the court a quo found, that the members of the union struck not for a trivial purpose but for one which they honestly believed was necessary to protect their interest.

It is true that some of the strikers resorted to violence in an effort to make the strike effective and accomplish the purpose for which it was declared, but considering that the acts of violence were merely isolated and were committed by some members without the knowledge or sanction of the officers of the union, the court a quo was right in concluding that the union should not be blamed therefor and that only those who have committed them should suffer the consequences of their own acts. We agree with the finding of the court a quo.

Wherefore, the portion of the decision appealed from is hereby affirmed, without pronouncement as to costs.

Pablo, Bengzon, Labrador, Concepcion, and J.B.L. Reyes, JJ., concur.

Montemayor, J., concur in the result.

Reyes, J., in the result.

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