

A. D. SANTOS, INC., PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS AND CITY CAB LABOR UNION, RESPONDENTS.*G.R. No. L-39135. July 30, 1976*

Ponente: FERNANDO, J.

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It is to be regretted that up to the present the stage of finality has not yet been reached in this labor controversy. Petitioner A. D. Santos, Inc. was adjudged guilty of unfair labor practice by respondent Court as far back as December 10, 1969.[1] The matter was elevated to this Tribunal in a certiorari proceeding, which was dismissed.[2] A writ of execution was then issued by respondent Court against petitioner on June 27, 1973, which was assailed in another certiorari proceeding filed with this Court on September 3, 1973.[3] That petition was dismissed for lack of merit on September 6, 1973 and a subsequent motion for reconsideration denied in a resolution of September 25, 1973, worded as follows: "Considering the grounds of the motion of petitioner for reconsideration of the resolution of September 6, 1973, which dismissed the petition for certiorari with preliminary injunction, the Court Resolved to [deny] said motion for lack of merit and this denial is [final]."[4] It would seem, therefore, that this third attempt on the part of petitioner to interpose further obstacle to the efforts of the drivers involved to be paid what is due them should have, been dismissed outright. In this certiorari proceeding however, it did raise a due process question, impugning an order of respondent Court en banc on July 20, 1974 modifying a previous order of May 2, 1974 for being "despotic, whimsical and arbitrary * * *." [5] Even with due allowance made for partisan excess resulting in inflated rhetoric, still it cannot be denied that there is plausibility to such an assertion. It was shown by petitioner that notwithstanding payments made to a counsel of respondent Labor Union, Attorney Emiliano L. Tambaogan, Jr., in the amount of P4,200.00 and to certain drivers entitled to backwages,[6] in the sum of P2,854.28, the challenged order of May 2, 1974 and the resolution en banc of respondent Court of July 29, 1974 would still require it to deposit the above two amounts with respondent Court. There is justification then for the imputation of arbitrariness on respondent Court, considering that such sums had in fact been received by the above counsel and the aforesaid drivers. There is in that sense, merit to the petition. As things developed then, there was by this turn to events failure on the part of respondent Court to protect labor, as mandated by the Constitution.[7] There was further delay. With this petition disposed of, however, nothing should stand in the way of a prompt and expeditious compliance with the decision on the merits in favor of the drivers affiliated with respondent Union.

The order of May 2, 1974 adopted a report of the Hearing Examiner, Nestor C. Lim, of respondent Court. As to the amount that petitioner still had to deposit, the following was set forth: "On November 21, 1973, this Court issued another Order declaring the writ of execution of July 2, 1973, in full force and effect, which directed among others the satisfaction of the balance still to be deposited and/or paid by respondent in the amount of P31,800.87. Instead of depositing said amount, respondents deposited only the amount of P20,116.64 by reason of the previous payments made by them to some of the complaining workers in the amount of P9,910.56, * * *. In addition to said payments, respondents assert that Atty. Tambaogan, Jr., got the amount of P5,200.00 in the form of cash advance." [8] The report contained this concluding paragraph: "Summing up the total amount to be paid and

reimbursed by respondents by way of attorney's fees to be shared by complaining workers Sante, Andrade, Olores, Tua and Leobonchiong (had respondents not paid the said workers appertaining to their respective award despite the pendency of lien or claims of attorney's fees of Attys. Cruz and Tambaoan, Jr., including the court charges for the deposit made by said respondents with this Court), we arrive at the following: P2,477.63 and P376.65 corresponding to attorney's fees of Attys. Eliseo Cruz and Emiliano Tambaoan, Jr., respectively, or a total of P2,854.28. By adding the court charges of P91.35, we have the amount of P2,945.63 as the grand total to be further paid, reimbursed and deposited by respondents to this Court (apart from the aforementioned amounts of P12,437.98 and P20,061.48 actually deposited with, and credited by, this Court). This is excluding the amount of P2,284.23 representing the balance of Dioscoro Tua's award, which is likewise to be deposited by respondents for this Court's further disposition, there being no clear, positive and convincing evidence that respondents have paid said amount to Tua. As adverted to earlier, the amount of P500.00 each taken by complainants Ceferino Lachica and Anastacio Tamayo from the aforementioned cash advances of P5,200.00 should be correspondingly deducted from their respective monetary awards, in addition to their proportionate or pro-rata share for attorney's fees of Attys. Cruz and Tambaoan, Jr." [9] Petitioner was, in such order of May 2, 1974, "directed to comply with the directives and dispositions embodied in the above quoted report." [10] Then came the assailed resolution of July 29, 1974, worded thus: "This concerns the motions filed on May 16, 1974 and May 20, 1974, by counsel for complainants, Atty. Emiliano Tambaoan, Jr., in his own behalf, and by respondents, through counsel, respectively, seeking the reconsideration of the order of the Trial Court dated May 2, 1974. After a careful perusal of the entire records, as well as the arguments of the parties, the Court en banc finds that respondents have violated, circumvented and disregarded the directives embodied in the dispositive portion of the final Order of June 27, 1973, and the dispositions contained in the previous complementary Orders of March 15, 1973 and May 12, 1973, for the complete satisfaction and payment of the balance of the award to the complaining workers and consequently, hereby resolves to modify the dispositions set forth in the aforesaid Order of May 2, 1974, to the effect that apart from, and in addition to, the dispositions directed against said respondents which are hereby affirmed, those appertaining to Atty. Tambaoan, Jr., should be solely assumed, paid and deposited by respondents. Based on the dispositions contained in the Order in question, the sum total of P9,429.86 is the balance still to be deposited and paid by respondents broken down as follows: (1) for the amount of P4,200.00 representing the balance of the P5,200.00 taken by Atty. Tambaoan, Jr. from respondents by way of cash advances, and after deducting the P1,000.00 received by claimants Ceferino Lachica and Anastacio Tamayo * * *; (2) For the sum of P2,284.23, representing the unpaid balance, of Dioscoro Tua's claim which was never proven or established by clear and convincing evidence * * *; (3) For the amount of P2,854.28, representing attorney's fees of Attys. Cruz and Tambaoan, Jr., to be pro-rated and shared by complainants Sante, Andrade, Olores, Tua and Leobonchiong (had respondents not paid and settled out of court the award due said complaining workers, and notwithstanding respondent's awareness of the pendency of the lien or claims for attorney's fees of said attorney; * * * and (4) For the sum of P91.35, representing court charges on the previous deposits made by respondents with this Court * * *. Accordingly, let a writ of execution be issued against herein respondents for the satisfaction and payment of the remaining balance of the award in back wages to complaining workers in the sum of P9,429.86." [11] In the pending certiorari proceeding before this Court, relief is sought from the order of May 2, 1974 and the resolution of July 29, 1974, its prayer worded thus: "[Wherefore], the petitioner prays that judgment be rendered setting aside the order dated 2 May 1974, and Resolution dated 29 July 1974 of the Court of Industrial Relations en banc in so far as they condemn the petitioner to pay the P4,200.00 already paid to Atty. Emiliano Tambaoan, Jr., and the P2,854.28 attorney's fees supposed to be shared by complainants Sante, Andrade, Olores, Tua and Leobonchiong, and for such other relief as may be found just and equitable in the premises." [12]

That is the relief sought and, as noted earlier, it is entitled to what is prayed for.

1. The case for petitioner is particularly impressive with reference to the amount of P4,200.00 paid Attorney Tambaoan, Jr., but which it is required to deposit again in court in the resolution of July 29, 1974. The order of May 2, 1974 found as a fact that such a sum was paid to him as lawyer of respondent Union authorized in writing to receive payments from petitioner.[13] It was by virtue of such authorization duly shown to petitioner that the amount of P5,200 was given to him, as duly admitted, with P1,000.00 having been thereafter received by two of the members of respondent Union.[14] There is thus validity to this argument: "To make the petitioner assume the restitution of P4,200 admittedly paid to, and received by, Atty. Tam-baoan, as the Court of Industrial Relations has ruled, would amount to awarding additional P4,200.00 to the complain-ants and their lawyer Atty. Tambaoan, and that will be unjustly enriching Atty. Tambaoan at the expense and to the irreparable damage and prejudice of the petitioner. Certain-ly, the Honorable Court will not tolerate that! There is not even a directive from the Court of Industrial Relations for Atty. Emiliano L. Tambaoan, Jr. to reimburse the petitioner. Where is the sense of justice of the Court of Industrial Relations?"[15] Nor is that the only failing of this assailed resolution. This is not to deny the power of a quasi-judicial tribunal, as with a court of justice, to assure that counsel be duly compensated for his efforts. Such an approach was discernible as far back as Escueta vs. Sy-Juil-liong,[16] a 1905 decision. The standard to be followed was set forth in the leading case of Bachrach vs. Golingo[17] to the effect that a contract for attorney's fees cannot be "used as a cloak for an exorbitant exaction." [18] If after receipt of such amount by Attorney Tambaoan, Jr., peti-tioner is still required to deposit such sum for the same purpose, clearly there would be "an exorbitant exaction." The test certainly is one of fairness, and in that sense the due process clause can be relied upon to protect the clients, the counsel, and, in appropriate cases, the adverse party. This is the teaching of a long line of decisions.[19] It would thus appear that the requirement of the petitioner deposit-ing in court the additional amount of P4,200.00 is bereft of support in law.

2. The petition next took up the matter of the amount of P2,854.28 which it was likewise required to deposit in this manner: "In addition to the P4,200 paid to Atty. Emiliano L. Tambaoan, Jr., which the Court of Industrial Relations has ruled should be assumed and paid by the petitioner, the Court of Industrial Relations has likewise ruled that the attorney's fees to be shared and payable by complainants Sante, Andrade, Olores, Tua and Leobonchiong to their lawyers should be paid by the petitioner. This is unjust, arbitrary, despotic and whimsical. Petitioner would like to bring to the attention of the Honorable Court that the order allegedly violated was only issued on 15 March 1973 while all the payments made by the petitioner to the complainants Sante, Andrade, Olores, and Leobonchiong were made in 1971 and 1972 as found by the Court of Industrial Relations itself in its questioned order dated 2 May 1974, * * *." [20] It was found as a fact by respondent Court that the sum of P1,200.00, received by Johnie Sante, was paid to him during October, Novem-ber and December of 1971 and February and July of 1972; the sum of P1,400.00 received by Daniel Andrade, was paid to him in November and December of 1971 and February and April of 1972; the sum of P900.00, received by Jose Olores, was paid to him in February and May of 1972; the sum of P700.00, received by Juanito Leobonchiong, was paid to him in December of 1971 and February of 1972.[21] Petitioner could rightfully argue then: "If those payments were made as early as 1971 and 1972, then it stands to reason that the petitioner herein had not violated, circum-vented nor disregarded the order of 15 March 1973; * * *." [22] The case of the last claimant driver, DioscoroTua, was discussed by petitioner thus: "As regards the attorney's fees pertaining to the share of claimant Tua, let it be stated that there is still a balance of P2,284.23, which the Court of Industrial Relations has ordered the petitioner herein to pay for its failure to present the voucher corresponding to the said amount (Order dated 2 May 1974 quoted in par. 8 above and Resolution en banc dated 29 July 1974, * * *). Now, if there is still an amount of P2,284.23, why penalize the petitioner to pay for Tua's share of the attorney's fees payable when there is still an amount of P2,284.23 out of which the share of Tua of the attorney's fees could be paid; * * *." [23] Respondent Labor Union countered by stressing that petitioner's quandary was the product of its own carelessness in making such advance

payments rather than awaiting the order of respondent Court. The indisputable fact, however, as found by respondent Court, is that such sums were actually received by the aforesaid drivers. Even assuming that petitioner's conduct was not blameless, then, would not the penalty of having to pay again be disproportionate to the offense? There is thus, once more, an element of arbitrariness incompatible with the due process guarantee. Again, from the standpoint of the drivers involved, was it not more conducive to their welfare that their financial needs were attended to rather than their having to fall victims to loan sharks? From that standpoint, if petitioner were made thus to suffer by having to deposit such sums again to meet the claims of counsel, there would undoubtedly be the element of injustice repugnant to the due process concept. This mode of viewing the matter is reinforced by the taint of retroactivity pointed out by petitioner in view of such payments having been made long before the challenged order, a matter again at war with the cardinal right to due process. Petitioner had thus successfully made out a case of the infirmity of the challenged order of May 2, 1974 as well as the resolution of July 29, 1974.

WHEREFORE, the order of May 2, 1974 and the resolution en banc of July 29, 1974 of respondent Court are modified by setting aside so much thereof as would require petitioner to pay the amount of P4,200.00 representing the balance of P5,200.00 paid to Attorney Emiliano L. Tambaoan, Jr., and the sum of P2,854.28 representing attorney's fees for Attorneys Eliseo Cruz and Emiliano L. Tambaoan, Jr., to be pro-rated and shared by the driver-claimants Johnie Sante, Daniel Andrada, Jose Olores, Dioscoro Tua and Juanito Leobonchiong. This decision is immediately executory to enable the pending claims of the employees involved to be settled forthwith in accordance with the final decision previously rendered. No costs.

Barredo, Antonio, and Martin, JJ., concur.

Aquino, J., concurs in the result.

Concepcion Jr., J., is on leave.

[1] Case No. 3928, ULP of the Court of Industrial Relations.

[2] L-32015, June 16, 1970.

[3] L-37417, A.D. Santos, Inc. v. Court of Industrial Relations.

[4] Resolution of September 25, 1973.

[5] Petition, par. 3.

[6] The respective drivers are Johnie Sante, Daniel Andrade, Jose Olores, Dioscoro Tua, and Juanito Leobonchiong.

[7] According to Art. II, Sec. 9 of the Constitution: "The State shall afford protection to labor, promote full employment and equality in employment, ensure equal work opportunities regardless of sex, race, or creed, and regulate the relations between workers and employers. The State shall assure the rights of workers to self-organization, collective bargaining, security of tenure, and just and humane conditions of work. The State may provide for compulsory arbitration."

[8] Order of May 2, 1974 of respondent Court, Annex G to Petition.

[9] Ibid.

[10] Ibid.

[11] Resolution of July 29, 1974, Annex E to Petition.

[12] Petition, 28.

[13] Petition, par. 9, 22-23.

[14] Ibid, 23-24.

[15] Ibid, 24-25.

[16] 5 Phil. 405.

[17] 39 Phil. 139 (1918).

[18] Ibid, 144.

[19] Some of the more recent cases follow: *Santiago v. Dimayuga*, L-17883, Dec. 30, 1961, 3 SCRA 919; *Geniza v. Sy*, L-17165, July 31, 1962, 5 SCRA 754; *Ledesma v. Realubin*, L-18335, July 31, 1963, 8 SCRA 608; *De los Santos v. Palanca*, L-17815, Aug. 31, 1963, 8 SCRA 764; *Cruz v. Court of Industrial Relations*, L-18277, Aug. 31, 1963, 8 SCRA 826; *Francisco v. Matias*, L-16349, Jan. 31, 1964, 10 SCRA 89; *Coto Labor Union v. Espinas*, L-21152, Sept. 30, 1965, 15 SCRA 109; *Lopez v. Pan American World Airways*, L-22415, March 30, 1966, 16 SCRA 431; *Martinez v. Union de Maquinista, Fogoneros, y Motormen*, L-19455-56, Jan. 30, 1967, 19 SCRA 167; *Fajardo v. Court of Industrial Relations*, L-19453-4, May 30, 1967, 20 SCRA 326; *Albano v. Coloma*, Adm. Case No. 528, Oct. 11, 1967, 21 SCRA 411; *Mambulao Lumber Co. v. Philip-pine National Bank*, L-22973, Jan. 30, 1968, 22 SCRA 359; *Aragones. v. Subido*, L-24303, Sept. 23, 1968, 25 SCRA 95; *Meralco Workers Union v. Gaerlan*, L-24505, April 30, 1970, 32 SCRA 419; *Reparations Commission v. Northern Lines*, L-24835, July 31, 1970, 34 SCRA 203; *Kalalo v. Luz*, L-27782, July 31, 1970, 34 SCRA 337; *Araneta v. Bank of America*, L-25414, July 30, 1971, 40 SCRA 144; *Philippine Association of Free Labor Unions v. Binalbagan Isabela Sugar Co.*, L-23959, No. 29, 1971, 42 SCRA 302; *Cabildo v. Navarro*, L-31865, Nov. 26, 1973, 54 SCRA 26; *Ma-ao Sugar Central v. Rodriguez*, L-28478, Aug. 23, 1974, 58 SCRA 547; *Occena v. Marquez*, L-27396, Sept. 30, 1974, 60 SCRA 38.

[20] Petition, par. 9, 25.

[21] Ibid, 26.

[22] Ibid, 27.

[23] Ibid.

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