

ARTEMIO CASTILLO, PLAINTIFF-APPELLANT, VS. FILTEX INTERNATIONAL CORP., DEFENDANT-APPELLEE.

G.R. No. L-37788. September 30, 1983

Ponente: ESCOLIN, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/b6768a1b23a7/>

ESCOLIN, J.:

This appeal, certified to this Court by the defunct Court of Appeals, challenges the decision of the Court of First Instance of Rizal which dismissed the complaint of appellant Artemio Castillo for reinstatement and payment of back wages, and ordered him to pay defendant Filtex International Corporation, hereinafter referred to as FILTEX, the sum of P1,000.00, as attorney's fees, plus costs.

The facts culled from the pleadings and the stipulation of facts entered into at the pre-trial are as follows:

Artemio Castillo, an employee of FILTEX and a member of the Samahan ng Malaya Manggagawa sa Filtex (FFW), SAMAHAN for short, was charged together with others in the Municipal Court of Makati with the offense of slight physical injuries, for his alleged involvement in a mauling and stoning incident which occurred sometime in July 1964 at the height of a strike called by the SAMAHAN. During the pendency of the case, Castillo was suspended from his job.

On July 8, 1964, FILTEX and SAMAHAN entered into a "Return to Work Agreement", paragraphs 3 and 4 of which read as follows:

"3. That all employees of the company who struck and committed violence and other unlawful acts and against whom court cases are filed or to be filed, shall be suspended by the company upon filing of such cases by the fiscal with the proper courts for as long as the said cases shall remain pending in court;

"4. That in the event the employees referred to in the preceding paragraph are found innocent by the courts, then the COMPANY agrees to reinstate them to their respective jobs with back wages minus whatever earnings they earned during the period of suspension; otherwise, if found guilty they shall remain dismissed;"

After trial, the Municipal Court of Makati rendered a decision, convicting Castillo of slight physical injuries. However, on appeal, the Court of First Instance of Rizal dismissed the case in an order dated November 28, 1966.

Thereafter, Castillo asked for reinstatement to his former job and payment of back wages. When FILTEX paid no heed to his demands, Castillo instituted the corresponding action in the Court of First Instance of Rizal, claiming that the dismissal of the criminal case justified his reinstatement and payment of back wages, pursuant to paragraph 4 of the Return of Work Agreement."

FILTEX filed a motion to dismiss on ground of lack of cause of action and want of jurisdiction of the court, the case being allegedly within the exclusive jurisdiction of the Court of Industrial Relations.

Upon denial of the motion to dismiss, FILTEX filed its answer. At the pre-trial, the parties defined the principal issue thus: Is the plaintiff entitled to re-instatement and back wages after the dismissal of the criminal charge

against him in accordance with paragraph 4 of the "Return to Work Agreement"?

On the bases of the parties' memoranda and the facts stipulated at the pre-trial the case was submitted for decision. Thereafter, the lower court rendered the aforestated decision, dismissing the case. It rationalized its judgment as follows:

"The plaintiff in this case was found guilty by the Municipal Court of Makati. With the dismissal of the case by the Court of First Instance of Rizal, could it be inferred that the plaintiff was found innocent? The Court cannot but rule otherwise in view of the fact that the dismissal of the case was only be-cause of the failure of the complainant to appear at the scheduled trial. It must be noted that the agreement to re-instate an employee in the category of the plaintiff expressly states that there must be a finding of innocence by the courts. It did not stipulate that the case should be dismissed."

Hence, this appeal.

We find the appeal impressed with merit. While it is true that appellant was convicted in the Municipal Court of Makati of the offense of slight physical injuries, it is undisputed that on appeal, the Court of First Instance of Rizal dismissed the case for failure of the witnesses for the prosecution to appear. Section 7 of Rule 123 of the Rules of Court, the rule in force at the time of the perfection of the appeal, reads as follows:

"Trial de novo on appeal.- An appealed case shall be tried in all respects anew in the courts of first instance as if it had been originally instituted in that court."

Applying the foregoing rule, the judgment of conviction rendered by the municipal court was vacated upon perfection of the appeal, to be tried de novo in the court of first instance as if it were originally instituted therein. The phrase "to vacate" applied to a judgment means "to annul, to render void." [1]

Since the criminal case was ultimately dismissed, the constitutional presumption of innocence [2] in favor of the appellant should be applied. The following disquisition on this constitutional guarantee in *People vs. Dramayo* [3] is enlightening.

"Thus: 'It is to be admitted that the starting point is the presumption of innocence. So it must be, according to the Constitution. That is a right safe-guarded both appellants. Accusation is not, according to the fundamental law, synonymous with guilt. It is incumbent on the prosecution to demonstrate that culpability lies. Appellants were not even called upon then to offer evidence on their behalf. Their freedom is for-feit only if the requisite quantum of proof necessary for conviction be in existence. Their guilt must be shown beyond reasonable doubt. To such a standard this Court has always been committed. There is need, therefore, for the most careful scrutiny of the testi-mony of the state, both oral and documentary, independently of whatever defense is offered by the accused. Only if the judge below and the appellate tribunal could arrive at a conclusion that the crime had been committed precisely by person on trial under such an exacting test could sentence be one of conviction. It is thus required that every circumstance favoring his innocence be duly taken into account. The proof against him must survive the test of reason; the strongest suspicion must not be permitted to sway judgment. The conscience must be satisfied that on the defendant could be laid the responsibility for the offense charged; that not only did he perpetrate the act but that it amounted to a crime. So it has been held from the 1903 decision of *Uni-ted States v. Reyes*."

It seems needless to state that the innocence of the appellant need no longer be proved, since under the fundamental law his innocence is presumed.

But the appellee argues that the Return to Work Agreement requires an express finding of inno-cence by the court in order to entitle an employee to reinstatement and back wages; that no such finding of innocence had been made because the criminal case was dismissed on a mere technicality, i.e, the failure of the prosecution witnesses to

appear at the trial; and that the interpretation of said agreement should not be stretched to include a "mere presumption of innocence under the law."

The argument is incompatible with the basic tenet embodied in the constitutional provision on protection to labor.[4] Cognizant of this State policy, this Court is constrained to interpret the agreement in question in favor of the claim of the laborer and against that of management. As emphasized by Chief Justice Fernando:

"If it were not thus, there is no fealty to the truism that the state exists to promote the welfare of all. It is to be judged then, to paraphrase Laski, by the extent to which it contributes to the substance of man's happiness. Necessarily, the whole citizenry is included. It follows likewise that those who are less fortunate in terms of economic well-being should be given preferential attention. For if such be not the case, then the policy marks it-self as failing in its basic objective. Negligence on its part to do so may well cause a tear in the fabric of unity that binds a people together.

"It is easily understandable then why there should be this state policy. It dispels any doubt that in weighing the claims of labor as against that of management, it is to be preferred. x x x The obligation to protect labor is incumbent on the state. It is a command to live up to. In the final analysis, it is as simple as that. That is the welfare state concept vitalized."

Upon these premises, We declare that appellant Artemio Castillo is entitled to reinstatement and payment of back wages.

ACCORDINGLY, the judgment appealed from is hereby set aside. Let the records be remanded to the Labor Arbiter of the National Labor Relations Commission for determination of the amount appellant is entitled to as back wages.

SO ORDERED.

Makasiar, (Chairman), Abad Santos, and Relova, JJ., concur.

Aquino, J., no part.

Concepcion, Jr., on leave.

Guerrero, J., in the result.

De Castro, J., on sick leave.

[1] Bautista vs. Johnson, 2 Phil. 230.

[2] "In all criminal prosecution, the accused shall be presumed innocent until the contrary is proved x x x." Article 3, Section 17 of the 1935 Constitution; Article 4, Section 19 of the 1973 Constitution.

[3] 42 SCRA 59.

[4] Art. XIV, Sec. 6 of the Constitution provides:

"The State shall afford protection to labor especially to working women and minors and shall regulate the relationship between landowners and tenants, and between labor and capital in industry and agriculture." x x x

Art. II, Section 9 of the Constitution reads:

"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 employees. The State shall assure the rights of workers to self-organization, collective bargaining, security of tenure and just

and humane conditions of work." x x x

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.