

PHILIPPINE AIR LINES SUPERVISORS & ASSOCIATION, KNOWN AS &PALSA;, PETITIONER, VS. ENRIQUE JIMENEZ, MARIANO AMPIL, JR. AND PHILIPPINE AIR LINES EMPLOYEES ASSOCIATION, KNOWN AS &PA...

G.R. NO. L-26622. May 31, 1974

Ponente: TEEHANKEE, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/b6cf1669e044/>

TEEHANKEE, J.:

The Court holds that respondents attorneys and union (PALEA), as plaintiffs below, simply because they secured in an earlier case a favorable judgment declaring Republic Act No. 1880 (imposing a forty-hour work week) to be applicable to respondent PAL as a government corporation and resulting in the payment of Saturday work backwages to all PAL employees regardless of their union or non-union affiliation, may not claim all other non-PALEA employees of PAL (who are members of another union of supervisors disqualified to join PALEA or are members of no union) to be equally liable for payment of 20% attorney's fees and 5% union fee claimed by them from PALEA members and accordingly reverses the appellate court's judgment which had overturned the trial court's dismissal of the complaint.

The two cases at bar, together with Case L-24552 entitled "Manuel G. Ferrer . . . and other Philippine Air Lines, Inc. employees similarly situated vs. Hon. Samuel F. Reyes, Judge of the CFI of Rizal, PALEA, Enrique Jimenez, Mariano Ampil, Jr. and Philippine Air Lines, Inc. (PAL)" decided by this Court on December 19, 1973 (and hereinafter simply referred to as Ferrer) all involve the efforts made by Attys. Enrique Jimenez and Mariano Ampil, Jr. as attorneys of the PALEA (the Philippine Airlines Employees Association, a labor union of PAL rank and file employees) and of the PALEA to collect attorney's fees of 20% (15% for Jimenez and 5% for Ampil) and a union fee of 5%, respectively, or a total of 25% from all PAL employees, past and present, be they members of the PALEA or some other union or of no union at all, of the total back wages found due to them for services rendered in excess of forty hours a week, particularly for work rendered on Saturdays from July 1, 1957 up to September 1961 by virtue of the Court's decision in PALEA vs. PAL[1] rendered on June 30, 1964.

The Court in the cited case affirmed the Manila court of first instance judgment declaring therein defendant PAL to be a government-controlled corporation falling within the purview of Republic Act No. 1880 (enacted on June 22, 1957 and providing for a five-day 40-hour week) by virtue of the 54% controlling stock held by the National Development Corporation therein, ordering PAL to shorten its work-hours from 48 to 40 hours a week with extra compensation at basic rates for work beyond the 40-hour standard, to pay all PAL employees back wages for their extra Saturday work during the period involved (estimated at about P2.6 million to P3.5 million for all PAL employees) and to pay plaintiffs' attorneys' fees in the sum of P3,000.00 and costs.[2]

Ferrer was a class suit filed on March 30, 1965 in the Rizal court of first instance by Manuel G. Ferrer and his 25 co-plaintiffs on their own behalf and other PAL employees similarly situated against PALEA and its said attorneys[3] questioning the 25% charge for attorneys' fees and union fee being charged the PAL employees who

were PALEA union members or ordered withheld by PAL for the purpose. As against the Rizal court's orders directing PAL to turn over and pay to PALEA the questioned 25% (amounting to P246,712.53 besides a previous amount of P200,000.00 already deducted by PALEA) this Court issued a writ of preliminary injunction enjoining enforcement of said payment orders.

This Court in its Ferrer decision, in denying Ferrer's motion to withdraw petition on the ground that the case had been settled by compromise which resulted in PALEA and Attys. Jimenez and Ampil withdrawing the entire 25% questioned charges, found as follows:

"Stated in another way, while petitioner Atty. Ferrer could withdraw as a petitioner in the case at bar, since he filed the complaint below and the petition at bar as counsel of the thousands of PAL employees entitled to the Saturday backwages protesting against the unreasonable and unauthorized 25% deduction sought to be made by respondents therefrom, he could not just withdraw as such counsel and completely abandon their interests as clients represented by him in a class suit (by the simple expedient of turning about and disclaiming the suit filed by him ab initio as a class suit) without prior leave of this Court and without his being properly substituted by another as counsel for said PAL employees against whom his personal and individual interests have now come into conflict. Otherwise, petitioner Atty. Ferrer would be permitted deviously to circumvent the proscription of Rule 138, section 23 that attorneys 'cannot, without special authority, compromise their clients' litigation, or receive anything in discharge of a client's claim but the full amount in cash.'

"Technically, respondent court's subsequent order of July 20, 1965 declaring the suit before him to be an individual, and not a class, suit of petitioner Ferrer and his 25 co-plaintiffs, is not before this Court in the present original action for adjudication. Assuming this finding to be correct, however, respondent court could not on the strength thereof validly order the turning over to PALEA or counsels-respondents Jimenez and Ampil of 'the amount represented by 25% of the backwages due the petitioners and employees similarly situated' under the Manila court judgment in Case No. 37122, except for the portion thereof due Ferrer and his 25 co-petitioners, since the far greater portion thereof due to the mass of PAL employees was covered by this Court's preliminary injunction of May 28, 1965 which subsists in full force and effect. Petitioner Ferrer and respondents Jimenez and Ampil stand responsible for this gross disregard of this Court's preliminary injunction and will be ordered jointly and severally to restore and re-deposit such amount wrongfully taken by them with respondent court, as below directed.

"II

"With the denial of the motion to withdraw petition, the Court will now briefly deal with the merits of the petition filed expressly by Ferrer and his 25 co-petitioners not only in their own but on behalf of all other PAL employees in whose individual favor the Manila court awarded Saturday backwages. The Court finds and so holds that respondent court did act with grave abuse of discretion in arbitrarily and prematurely ordering the turn over of the questioned 25% of the PAL employees' backwages to PALEA for payment of the questioned 20% attorneys' fees of respondents Jimenez and Ampil and 5% as a share claimed by the PALEA for itself – when the very validity, reasonableness and conscionableness of such charges and deductions are seriously questioned in the complaint below and should be first duly tried and adjudicated.

"With the withdrawal of petitioner Manuel G. Ferrer and his 25 co-petitioners as plaintiffs in the case below, the PALEA with the new set of officers opposed, as Ferrer originally was, to the deduction of the questioned 25% charges, (as represented by Attys. Calpo and Alvir who filed their appearance herein on December 13, 1965) should be duly ordered by respondent court to intervene as plaintiffs in the case below. A representative group of PAL employees entitled to the backwages should be allowed to intervene, considering that the real parties in interest are the individual employees in whose individual favor the Saturday backwages were awarded explicitly by the Manila court and the union serves only as the agent and fiduciary of its members and may waive or dispose of the judgment award by compromise or settlement only with the express authority of the 'individual workers who are the real judgment creditors' as held in Cruz vs. CIR. Thereafter, respondent

court should proceed to try the issues principally on whether the union can validly make any deduction of 5% of the backwages awarded as its own share and of 20% thereof for attorneys' fees of respondents Jimenez and Ampil without the individual PAL employees' written consent and authorization, and assuming that such deduction could be made, whether the percentages and fees sought to be deducted are 'unreasonable and unconscionable' and if so, assess the reasonable amount of union charges and attorneys' fees.

xxx xxx xxx

"III

"With reference to respondent court's order ordering the immediate release of the 25% questioned deduction deposited by PAL with it and turn-over of which to PALEA for payment to respondents counsels Jimenez and Ampil as per the questioned order of April 6, 1965 was enjoined by this Court, petitioner Manuel G. Ferrer and respondents Jimenez and Ampil are jointly and severally responsible for the return and restoration of the full amount of said deposits wrongfully released to respondents Jimenez and Ampil at their instance and through their so-called 'Compromise Agreement' of October 22, 1965, in gross disregard and violation of this Court's writ of preliminary injunction of May 28, 1965, so that the status quo sought to be preserved by the Court's injunction may be duly restored and maintained.

"As already indicated above, they should be the first ones to realize that their so-called 'compromise agreement' (which was never submitted to this Court and which manifestly disregarded and contravened this Court's injunction) could only compromise and settle the individual claims of Ferrer and his 25 co-plaintiffs (on the very premise of respondent court's order that their suit was an individual, not a class suit) and not the principal claims of all the other PAL employees who were the specific awardees and judgment creditors of the Saturday backwages and who had not sanctioned the 25% deduction for 5% union charges and 20% attorneys' fees, amounting to close to half a million pesos in dispute. Ferrer having disclaimed his class suit and having come to terms with respondents could not certainly presume nevertheless to continue to speak for them, much less bind them with his 'ratification' of the questioned charges and fees and 'consent' to their turn-over and payment to respondents-counsels.

"Said petitioner Manuel G. Ferrer and respondents counsels Enrique Jimenez and Mariano Ampil, Jr., by the same token, shall be required to show cause why they should not be held in contempt of court for disregarding and violating the Court's preliminary injunction of May 28, 1965. Respondent court is exempted from this requirement only, because it is no longer presided by the respondent judge named in the petition who was responsible for the issuance of the release order in contravention of this Court's injunction."

This Court accordingly ordered the remand of the Ferrer case for further proceedings as indicated above, as follows:

"ACCORDINGLY, the writ of certiorari prayed for is granted and respondent court's orders of April 6, 1965 and April 24, 1965 are hereby annulled and set aside. The case is remanded to respondent court for further proceedings as indicated in the body of the Court's opinion.

"Petitioner Manuel G. Ferrer and respondents Attys. Enrique Jimenez and Mariano Ampil, Jr. are ordered jointly and severally to return and re-deposit the full amount deposited by PAL with respondent court representing the 25% questioned deduction, (except the portion thereof corresponding to the individual shares of Ferrer and his 25 co-plaintiffs), turn-over of which to PALEA and said respondents for their questioned attorneys' fees under respondent court's order of April 6, 1965 was enjoined by this Court but which they caused to be wrongfully released to said respondents under their so-called 'compromise agreement' of October 22, 1965 in violation of this Court's injunction of May 28, 1965. Said named parties. Attys. Ferrer, Jimenez and Ampil shall make such restoration and re-deposit with respondent court within thirty (30) days from date of entry of this judgment and shall file the corresponding manifestation of compliance within ten (10) days thereafter.

"Said named parties Attys. Ferrer, Jimenez and Ampil are further required to show cause within ten (10) days from notice hereof why they should not be held in contempt of Court for disregarding and violating this Court's injunction of May 28, 1965.

"xxx xxx xxx"

In denying the therein respondents' motion for reconsideration, this Court further directed in its resolution of April 22, 1974, the following:

"xxx xxx xxx"

"The Court Resolved further to REQUIRE respondents PALEA and PAL separately to circularize among the PAL employees and laborers and the PALEA members who were awarded the Saturday back wages for the period in question (July 1, 1957 to September 5, 1961 in the amount of approximately P2.6 million) and to inform them of this Court's decision and judgment of December 19, 1973 and particularly of the treatment accorded by PALEA to petitioner Ferrer and his 25 co-petitioners whereby the 25% deductions for union charges and attorneys' fees made from their Saturday back wages were restored to them (at page 8, decision); the stand of Attys. Calpo and Alvir then for PALEA's new set of officers that respondents-attorneys had no direct client-lawyer relationship with its members so as to be entitled to charge them 20% attorneys' fees in the total sum of P446,712.53 (at pages 7, 9, decision) and the directives given in Part II of the decision to the lower court to allow a representative group of PAL employees entitled to the back wages to intervene and to try the issues before it as to whether the deductions could validly be made without the individual employees' written authorization and if so to assess the reasonable amount of union charges and attorneys' fees (at pp. 11-12, decision.)

"xxx xxx xxx"

The two cases at bar take their root from one and the same case filed on September 7, 1964 in the Manila court of first instance by respondents Attys. Jimenez and Ampil and PALEA primarily directed against PAL employees who were not rank and file employees and belonged to a union of supervisors known as PALSAs (Philippine Air Lines Supervisors' Association) and all other employees of PAL not otherwise members of any labor union and squarely raising in issue their right to demand payment from said PALSAs members and non-union members the same 25% charge for attorneys' fees and union fee.[4] Claiming that it was only fair and just that said non-PALEA employees of PAL (PALSAs and non-union employees) as beneficiaries of the PALEA suit on the applicability of Republic Act 1880 imposing a 40-hour week to PAL as a government-controlled corporation "on the cardinal principle of law that no one shall be allowed to enrich himself unjustly at the expense of another" should pay them the same attorneys' fees of the fees and union due totalling 25% and unable to collect, said respondents filed the suit below against the petitioners in the cases at bar.

In dismissing the complaint, the Manila court succinctly found that "the two counsels for the PALEA, Plaintiffs herein, had an agreement with the PALEA for the payment to them of 20% of whatever sums the union would be able to obtain and in addition, the expenses of litigation were incurred by Plaintiffs. Plaintiffs now seek to compel the Defendant union known as the PALSAs to also pay the PALEA counsel 20% of their overtime pay and to shoulder the proportionate part of the expenses of litigation. It is admitted that plaintiff attorneys had no prior contract of employment with Defendant PALSAs; it is further admitted that there are several labor unions with the PAL, each with its own collective bargaining agreement with the PAL; it is further admitted that the PALSAs is a union of supervisors who are not eligible for membership in the PALEA; it is further admitted that the PALEA and the PALSAs have been at odds on many occasions and that the PALSAs has its own legal counsel. So that the sole issue in this case must be based on quasi-contract – 'no one shall unjustly enrich himself at the expense of another'. Counsel for Plaintiffs has gratuitously mentioned in his memorandum that this Court has held that in this

case the relations between the parties is one of quasi-contract – for precisely this Court has consistently ruled that the entire basis of Plaintiffs' action must be one on quasi-contract which Plaintiffs must prove.

"At the outset it would be well to point out that under the Magna Carta of Labor, RA 375 as amended, generally only one labor union may enter into collective bargaining agreement and that any benefits that the sole labor union may obtain from capital must be enjoyed by all employees whether they are members of the labor union or not, as capital may not discriminate. In fact, our Supreme Court has gone further and ruled that in the event of litigation by one labor union, any benefits that may be awarded will accrue in favor of all employees whether they are members of the union or not under the principle of class suit, and that all employees are interested in any benefit that may come to their fellow employees (National Marketing Corporation vs. CIR, G.R. No. L-17804; Jan. 31, 1963; Manila Railroad vs. CIR, G.R. No. L-18389; Jan. 31, 1963; Magdalena Estate vs. Kapisanan ng mga Manggagawa, G.R. No. L-18336; May 31, 1963). The decision of our Supreme Court in the case of National Brewery vs. San Miguel Brewery, G.R. No. L-18170; August 31, 1963,[5] is conclusive on the contention of Plaintiff that a quasi-contract exists. There our Supreme Court held that the element of unjust enrichment is lacking as these benefits must be extended to all employees precisely to avoid discrimination. And this case involved the attempt of the labor union to collect an agency fee from non-union members. The issue there is the same as the present case so that this Court must rule against the contention of Plaintiffs and hold that no quasi-contractual relation exists between Plaintiff and Defendant PALSA." [6]

On appeal by plaintiffs (herein respondents), the Court of Appeals disagreed with the trial court and instead rendered its judgment of September 8, 1966 reversing the trial court's judgment of dismissal and entering another "declaring defendant members of the PALSA and the other defendant non-union employees of the PAL liable to Attys. Enrique Jimenez and Mariano Ampil, Jr. for their attorneys' fees in an amount equivalent to 15% and 5%, respectively, of the said defendants' total back wages," further "declaring said defendants liable to Atty. Jimenez for expenses of litigation equivalent to 1% of the former's total back wages" and ordering PAL to pay to said attorneys the equivalent of said percentages "to be charged against and to be deducted from the backwages respectively due to each of (them)," with costs against the members of the PALSA and other non-union employees of PAL.

Both PALSA and PAL filed with this Court the separate petitions at bar for review on certiorari of the appellate court's adverse decision on appeal, which are now jointly herein decided.

The decisive issue at bar is whether or not respondents attorneys and PALEA by virtue of the favorable judgment obtained by them on June 30, 1964 in PALEA vs. PAL, supra, declaring Republic Act No. 1880 to be applicable to PAL as a government-controlled corporation and resulting in the payment of Saturday backwages to all PAL employees regardless of their union or non-union affiliation may hold all the other non-PALEA employees of PAL equally liable for the payment of the 20% attorneys' fees and the 5% union fee claimed by them from PALEA members [7] on the principle of quasi-contract?

The Court finds that petitioners non-PALEA members incurred no liability, contractual or quasi-contractual, for attorneys' or union fees or for expenses of litigation in the PALEA suit and therefore reverses the appellate court's decision under review.

1. The doctrine on non quasi-contractual liability of non-union members for benefits obtained by the union as expounded in National Brewery & Allied Industries Labor Union vs. San Miguel Brewery, Inc., et al. [8] holding that the principle of quasi-contract cannot apply because there is no element of unjust enrichment on the part of the non-union members is controlling in the case at bar, as correctly held by the trial court.

The Court in upholding the trial court's orders therein dismissing the complaint of plaintiff union to collect from

the defendants non-union members and members of an independent union a union agency fee in compensation for benefits it had allegedly obtained for all company workers regardless of affiliation held that "if a closed shop agreement cannot be applied to these employees [already in the service and are members of another union] neither may an agency fee, as a lesser form of union security, be imposed upon them." [9]

The Court stressed that "(I)t is true, as the union claims, that whatever benefits the majority union obtains from the employer accrue to its members as well as to non-members. But this alone does not justify the collection of agency fee from non-members. For the benefits of a collective bargaining agreement are extended to all employees regardless of their membership in the union because to withhold the same from the non-members would be to discriminate against them. (International Oil Factory Workers Union [FFW] vs. Martinez, et al., G.R. No. L-15560, Dec. 31, 1960)."

The Court finally rejected the very same argument raised by petitioners herein that "non-members should be made to pay on the principle of quasi-contract. The union invokes Article 2142 of the Civil Code which provides that –

"Certain lawful, voluntary and unilateral acts give rise to the juridical relation of quasi-contract to the end that no one shall be unjustly enriched or benefited at the expense of another. (Italics supplied)" [10]

by pointing out that "but the benefits that accrue to nonmembers by reason of a collective bargaining agreement can hardly be termed 'unjust enrichment' because, as already pointed out, the same are extended to them precisely to avoid discrimination among employees. (International Oil Factory Workers' Union [FFW] vs. Martinez, et al., G.R. No. L-15560, Dec. 31, 1960)." [11]

It should be noted furthermore that the other essential element of quasi contract viz that the acts of the obligees i.e. respondents-claimants should be "lawful, voluntary and unilateral" has not been shown by them, but on the contrary that the suit for recognition of the applicability of Republic Act No. 1880 was not a voluntary unilateral act but performed by respondents attorneys and PALEA in pursuance of a bilateral contract between them to prosecute the suit for which they claimed and collected 25% or over P550,000.00. [12] besides the court's award of P3,000.00 as attorneys' fees.

2. The appellate court's overthrowing of the trial court's judgment of dismissal on the ground that respondents' complaint was "on account of (their) unilateral and voluntary, but lawful, acts which redounded to the benefit of every worker in the PAL that they (plaintiffs-respondents) are suing the defendants (petitioners) under the principle governing quasi-contract" was error, as already shown above, since respondents' acts were neither unilateral nor voluntary nor were petitioners non-PALEA members unjustly enriched so as to qualify their relationship as one of quasi-contract.

The case of Union de Empleados de Trenes vs. Kapisanan ng Mga Manggagawa sa MRR Co. [13] where the Court sustained the award of attorneys' fees and reimbursement of union expenses in the successful prosecution of a suit of additional pay for night work to respondents as against petitioner union is easily distinguishable in that in said case, petitioner union in effect joined efforts with respondents and even made a lesser offer to pay their attorneys' fees. Furthermore, there was no question in this case that the benefits obtained for all workers would not have materialized were it not for the special efforts and successful prosecution by the claimant union and its attorneys of the suit for special benefits and hence the industrial court deemed it just and equitable that all employees benefited by the hard-earned judicial award share in the fees and expenses.

Here, as amplified by this Court in PALEA vs. PAL supra, the main issue in that case was the applicability of Republic Act No. 1880 to PAL, with the only issue being whether or not PAL was a government-controlled corporation. This Court expressly noted that "3. Although defendant [PAL] did not agree with the plaintiff [PALEA] on the applicability of Republic Act No. 1880 to the former, the record indicates that there was between

them a mere honest difference of opinion which did not mar their harmonious relations. Hence, the present case was, in effect, more in the nature of an action for a declaratory judgment, to settle the aforementioned non-hostile, if not, friendly divergence of opinion on the main issue. There had been no threat of strike on account thereto. What is more, plaintiff's members declare that they would not strike during the pendency of this case. . . ."[14]

It is thus clear that the favorable declaratory judgment that respondents obtained in 1964 in the PALEA suit on Republic Act No. 1880 in which they allegedly spent much time, money and effort, was simply in the nature of a judicial recognition that PAL was at the time a government-controlled corporation and that the provisions of Republic Act No. 1880 were applicable to all its employees. The resulting payment to PAL employees of Saturday backwages which accrued since the effectivity of Republic Act No. 1880 was a mere incident of said declaration and may not be viewed in the same category as awards for special benefits secured from the employer as a consequence of a hard-fought battle obtained after the exertion of special efforts and protracted proceedings occasioned by the employer's refusal.

On the contrary, the favorable declaratory judgment obtained by respondents in the case could not in any way be deemed mainly responsible if not indispensable for the extension of the 40-hour a week benefits prescribed under Republic Act No. 1880 to non-PALEA employees of PAL. There being no special showing that respondents attorneys and PALEA did more than just secure a judicial declaration of the applicability of Republic Act No. 1880 to PAL employees, their claims for 25% attorneys' fees and union fee or expenses of litigation sought to be collected from non-PALEA members, must fail, since whatever benefits were extended to all PAL employees were actually generated by the legislative mandate of Republic Act No. 1880, as judicially affirmed in the PALEA case. And save that of securing judicial recognition that PAL is a government-controlled corporation and therefore covered by the provisions of Republic Act No. 1880, there was no special service given nor special effort exerted on the part of respondents attorneys and PALEA to secure benefits in addition to what Republic Act No. 1880 ordained, so as to entitle them to attorneys' fees and/or contribution from non-PALEA members.

3. The appellate court did not grant the PALEA the 5% union fee it sought from non-PALEA members, but sentenced them to pay respondent Atty. Jimenez an additional 1% of their total backwages on the premise that "except for the amount of P400.00, which plaintiff PALEA appropriated to cover the initial expenses of the original litigation. x x x, plaintiff Jimenez incurred and shouldered all the other necessary expenses in excess of said amount in the successful prosecution of the said original case, an additional 1% of the amount collected by the individual members of the PALSAs and the other non-union workers of the PAL as reimbursement of the expenses incurred in the first litigation is not exorbitant and may also be awarded to said plaintiff Jimenez x x x x x x".

No factual justification may be found in the appellate court's decision nor in the trial court's decision of any amounts having been actually disbursed by Atty. Jimenez that would warrant an award of 1% of the total backwages for expenses of litigation, particularly when it is considered that said attorney was already granted an award of P3,000.00 attorney's fees in the original PALEA suit on Republic Act No. 1880. Such an award is therefore wholly untenable.

4. Especially as to the PALSAs members is it manifest that they could not be adjudged liable for a second time to respondents PALEA and its attorneys since admittedly the members of PALSAs belong to another collective bargaining unit, the unit of supervisors, who are disqualified by law from joining the PALEA (composed of rank and file employees) and had paid from the Saturday backwages due to PALSAs members their own counsel. Atty. Vicente T. Ocampo 20% attorneys' fees in the sum of P64,872.01 and to PALSAs as their own union a 5% union service fee in the sum of P16,218.00[15] by order of the Court of Industrial Relations as sustained by this Court.[16] It would be grossly unjust and unconscionable to require PALSAs members to pay double attorneys and

union fees or a total of 50% of their backwages, particularly to pay such double fees to the respondent PALEA a rival union and its attorneys, respondents Jimenez and Ampil, with whom they have been at odds on many occasions, as mentioned by the trial court in its decision and with whom they had never had any dealings or association or employment contract.

5. Since the appellate court's judgment against petitioner PAL was to pay to respondents attorneys the disputed percentages (21%) "to be charged and to be deducted from the backwages" due to the PALSA members and the non-union members and it has now been held that said petitioners (defendants below) have incurred no liability to said respondents, it necessarily follows that PAL must likewise be absolved from the complaint which in the first place stated no cause of action directly against PAL, (except to seek in vain a preliminary injunction to have PAL withhold payment of the percentages claimed by respondents from the Saturday backwages due its co-petitioners, the PALSA and non-union members, which backwages PAL thereafter in 1965 duly distributed and paid in full to its PALSA members and non-union employees in accordance with law[17]).

ACCORDINGLY, the appealed decision of the Court of Appeals is hereby reversed and in lieu thereof judgment is hereby rendered affirming the trial court's judgment of dismissal of respondents' complaint. With costs in all instances jointly and severally against respondents. So ordered.

Makalintal, C.J., Makasiar, Esguerra, and Munoz Palma, JJ., concur.
Castro, J., concurs in the result.

[1] Reported in 11 SCRA 387.

[2] 11 SCRA at pp. 390-391.

[3] "Civil Case No. 8634 of the Rizal court of first instance of Pasig, entitled "Manuel G. Ferrer and 25 other named plaintiffs and other PAL employees similarly situated, plaintiffs vs. PALEA, Enrique Jimenez, Mariana Ampil, Jr. and PAL defendants."

[4] Civil Case No. 58249 of the Manila court of first instance entitled "Enrique Jimenez, Mariano Ampil, Jr. and PALEA, plaintiffs vs. PALSA, PAL and all employees of PAL, nor otherwise members of any labor union defendants."

[5] Reported in 8 SCRA 805.

[6] Rec. on Appeal, pp. 122-123; italics supplied.

[7] The said respondents' claim against their own PALEA members is the subject at Ferrer remanded to the Rizal court for further proceedings.

[8] 8 SCRA 805.

[9] 8 SCRA at p. 810; notes in brackets supplied.

[10] *Idem.* at p. 811.

[11] *Idem.*

[12] Subject of contention in the Ferrer case remanded to the Rizal court.

[13] 110 Phil. 308 (1960). See also *Martinez vs. Union de Maquinistas* 19 SCRA 167. [Jan. 30, 1967] to same effect, decided after Court of Appeals had rendered its decision under review.

[14] 11 SCRA at pp. 392-393; emphasis and notes in bracket supplied.

[15] Rollo in L-26622, p. 225.

[16] Rollo in L-26622, pp. 294, 312; Res. of July 29, 1968 in L-28688-89 (PALSA vs. CIR and Ocampo).

[17] PAL's brief in L-26774, Rollo, pp. 192-193.

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.