

**MANUEL G. FERRER, MARIANO LOPEZ, RAFAEL G. FERRER,  
BRIGIDO HUERGAS, FRANCISCO ESPIRITU, ANTONIO BLANCO,  
ANTONIO J. ESGUERRA, FEDERICO PABELICO, ANTONIO ROLDAN,  
ISIDORO F. NARIO,...**

*G.R. No. L-24552. December 19, 1973*

Ponente: TEEHANKEE, J.

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**TEEHANKEE, J.:**

In this original action, the Court grants a certiorari as prayed for. The motion to withdraw petition filed as a class suit by petitioner Manuel G. Ferrer and his 25 co-petitioners is denied in view of the serious objections raised by the PALEA on behalf of all the thousands of other PAL employees who question as unauthorized and unconscionable the 25% sought to be deducted from the Saturday back wages awarded them individually in a final judgment by way of 20% attorney's fees estimated at P520, 000. 00 and 5% union charge.

The Court holds that respondent court acted with grave abuse of discretion in arbitrarily and prematurely ordering the turn-over of the questioned 25% deduction to PALEA for payment of said attorney's fees and charges, when the very validity, reasonableness and conscionableness of such charges and deductions are seriously questioned in the complaint filed with respondent court and should be first duly tried and adjudicated.

The parties responsible for such premature turn-over and release of the moneys deposited with respondent court are ordered to restore said amounts and to show cause why they should not be held in contempt of court for disregarding and violating the Court's subsisting preliminary injunction of May 28, 1965, precisely enjoining such premature turn-over and release of the questioned deduction.

In *Philippine Air Lines Employees' Association (PALEA) vs. PAL*,<sup>[1]</sup> this Court, through then Justice Roberto Concepcion, affirmed the judgment of the Manila court of first instance declaring therein defendant Philippine Air Lines to be a government-controlled corporation under the provisions of Republic Act No. 1880 (providing for a 40-hour week) by virtue of the 54% controlling stock held by the National Development Corporation therein. The judgment therefore declared defendant PAL's liability to its employees and laborers as follows:

"2.

ordering the defendant to comply with the provisions of Republic Act No. 1880 by shortening the hours of work a week for its employees and daily wage from 48 to 40 hours, and from Monday through Friday at the rate of 8 hours of work a day; but if the exigencies of the service demand, it may require the members of the plaintiff union to work beyond 40 hours a week by paying them their basic rate of compensation only, pursuant to Section 4 of the Eight-Hours Labor Law;

"3.

Adjudging the defendant, once this decision has become final, to render a report, within one month from the date of its finality, containing the names of the members of the plaintiff union who have worked on Saturdays beginning July 1, 1957, up to the time defendant has started complying with this decision, and to pay said employees and laborers the compensation due on Saturdays they have worked thru the plaintiff Union on the strength of the deed of assignment; and

"4.

Adjudging the defendant to pay attorney's fees to plaintiff's counsel in the sum of P3, 000.00 and costs."[2]

In disposing of therein defendant-appellant PAL's contention that the union members' formal assignment of right and cause of action in favor of the union PALEA as plaintiff was null and void, this Court expressly held that: "the main issue in this case is whether defendant is a government-controlled corporation under the provisions of Republic Act No. 1880, and it is obvious that, regardless of and even without said assignment, the plaintiff, as a legitimate and registered labor organization, may bring this action for the extension of the benefits of said Act to its members. x x x The collection by them of additional compensation is merely a possible incident of said main issue, if decided in their favor."

The total back wages due the PAL employees and laborers for their extra Saturday work during the period in question (July 1, 1957 to September 5, 1961) amounted to approximately P2.6 million.

In implementing the judgment, the Manila court authorized defendant PAL to discharge the judgment in favor of the employees and laborers entitled thereto through their union (PALEA) in three installment payments of P1 million (about 40% of the total amount) out of the amount already deposited and two other installments of 30% each on March 31, 1965 and June 30, 1965, respectively.

Instead of distributing the first installment of P1 million, respondent PALEA withheld and deducted therefrom an amount of about P260, 000.00 (equivalent to more than 25% thereof), allegedly representing 15% and 5% attorneys' fees due to Attys. Enrique Jimenez and Mariano Ampil, Jr. as counsels of PALEA in the case plus another 5% as share of the PALEA itself.

In view of the delay attending the distribution of the first installment, the Manila court in an order dated March 27, 1965 authorized PAL to pay the 2nd and 3rd installment of the Saturday back wages directly to the employees and workers entitled thereto, but provided that 25% thereof be withheld and paid to PALEA (5%) and its above-named counsels (20%) as in the first installment, as stated in the preceding paragraph.

According to the petition, herein petitioners-employees on their own behalf and on behalf of all their co-employees of PAL similarly entitled to Saturday back wages sought to intervene in the Manila court case in order to object to such 25% deduction from the judgment in their favor, but owing to PALEA's objection through its counsels and co-respondents Attys. Jimenez and Ampil and due to the fact that the judgment was already final and said attorneys were not parties to the case, their intervention was denied without prejudice to their rights to institute the necessary action to protect their interest and to contest the withholding and deduction of 25% of their back wages and the payment thereof to said counsels-respondents and PALEA in the proper court or forum.[3]

Hence, since the act sought to be enjoined (PAL's payment of the questioned 25% deduction was to be performed in Makati, Rizal, where PAL has its main offices), petitioners filed suit in the Rizal court of first instance to enjoin PAL, and the other co-respondents from deducting 25% from the second and third installments of the Saturday back wages due to its employees or at least to require the deposit thereof with the said court and to order the return of the 25% already deducted from the first installment of P1 million.

Petitioners submitted that the deduction of such 25% from the Saturday back wages due them and their co-employees of PAL was "unauthorized, contrary to law, oppressive and amounts to deprivation of property without due process of law" since inter alia, such deductions were never validly authorized by the employees; the amount of 20% allotted as the union's counsel's fees estimated at P520, 000. 00 was "unreasonable and unconscionable considering the services rendered by said counsels and the nature of the case for which the said compensation is supposed to be paid. Moreover, the defendant PALEA has funds contributed to it by plaintiffs herein and other members of said union from which the attorney's fees of said counsel may be paid"[4]; the court of industrial relations in a final order[5] upheld by this Court which dismissed a petition to review the same, held that the PAL has no authority to make payroll deductions except for established uniform initiation fees and the regular periodic membership dues of members of PALEA and that other deductions may be made only upon individual authorizations signed by the employees concerned in cases permitted by law and that the employees have not executed any written authorization to make such 25% deduction from their Saturday back wages; the present officers of PALEA were out of PAL's premises because of a charge of illegal strike against them pending in the court of industrial relations and any rate, their term was to expire in April, 1965 and hence, assuming that the union PALEA was entitled to the 5% deduction claimed by it, payment to the present set of officers was inadvisable and should await the results of the coming election of new officers of the union.

Respondent court in its order of March 31, 1965, found the petition sufficient in form and substance and issued a restraining order upon a P1, 000-bond restraining respondents PAL from delivering to PALEA "whatever amount it may deduct from the back pay of plaintiffs and employees similarly situated," and set the preliminary injunction incident for hearing on April 6, 1965.

On April 6, 1965, respondents PALEA, Jimenez and Ampil filed a motion to dissolve writ of injunction. Without receiving any evidence, respondent court issued its order of the same date, after hearing arguments, setting aside its restraining order of March 31, 1965 and ordering the PAL "to turn over the amount represented by 25% to the Philippine Air Lines Employees Association (PALEA)."

Meanwhile, the PAL filed its answer of April 13, 1965, wherein it disclaimed any interest in the money involved in the back wages judgment and expressed readiness to dispose of the same as directed by competent authority. The other respondents, PALEA, Jimenez and Ampil, filed their answer of April 14, 1965 to petitioners' complaint, joining factual and legal issues.

Petitioners' motion for reconsideration of April 19, 1965, praying for reconsideration of respondent court's order of April 6, 1965 denying preliminary injunction was denied by respondent court in its order of April 24, 1965, wherein it ordered PAL to forthwith implement its previous order requiring the turn-over of the 25% deduction to PALEA.

Hence, the present petition for certiorari and prohibition filed on May 17, 1965, wherein petitioners through their co-petitioner and counsel, Atty. Manuel G. Ferrer, stressed that a reading of the Manila court case awarding the Saturday back wages shows "that the ultimate parties-plaintiffs were specific employees not respondent PALEA and consequently, there was no reason for respondent PALEA to collect attorneys' fees without express authority."[6]

The petition charged that:

"Respondent judge committed grave abuse of discretion amounting to lack of jurisdiction in dissolving his writ of injunction of March 31, 1965 and directing respondent PAL to turn over to PALEA 25% of the backwages of the employees - or approximately P250,000.00 which petitioner will likely not be able to recover if judgment should ultimately be in their favor - because -

"I

"The order to turn over 25% of the employees' backwages to PALEA is unwarranted, arbitrary, beyond his jurisdiction and at best should be treated as obiter dictum.

"II

"The Directive to respondent PAL to deliver the 25% of the backwages to respondent PALEA which the complaint precisely intended to prevent has rendered the case prematurely moot and academic to the irreparable injury of petitioner.

"III

"The dissolution of the writ of preliminary injunction was issued without evidence and merely on the basis of respondents PALEA, Jimenez and Ampil's bare and unverified motion to dissolve writ of injunction containing averments of facts which necessitated proof."[7]

The Court per its resolution of May 19, 1965, ordered respondents to answer the petition and the issuance upon a P5, 000-bond of a preliminary injunction writ (issued on May 28, 1965) enjoining respondent court from executing its challenged order of April 6, 1965, directing PAL, to turn over to respondent PALEA the questioned 25% deduction from the Saturday back wages due to petitioners and employees entitled thereto under the Manila court judgment.

Respondent PAL filed its answer on June 10, 1965, reiterating its disclaimer of any interest in the amount involved.

Respondents Jimenez and Ampil filed on June 11, 1965 their answer on their own behalf and the other respondents (except PAL), wherein they cited inter alia a subsequent order of May 21, 1965 of respondent court ordering PAL to deposit in court, "an amount equivalent to 20% of the backwages of its employees which it had already deducted from said wages and which is now being retained by said defendant", overruling PAL's opposition that PALEA "had now two (2) sets of officers claiming to be the legitimate representatives of said union."[8]

The case was heard by the Court on October 8, 1965, and the Court granted the parties a 15-day period to file memoranda in lieu of oral argument.

No such memoranda were filed. Instead, on October 30, 1965, petitioners filed a motion to withdraw petition, with the conformity of both respondents Jimenez and Ampil as "respondents and counsel for the other respondent except 'PAL'" stating "(T)hat on October 24, 1965, the aboved-named petitioners and respondents, except the Hon. Samuel F. Reyes, have reached an amicable settlement in connection with Civil Case No. 8634 of the Court of First Instance of Rizal, from which the instant Pleading in Certiorari stems" and "(T)hat the petitioners are no longer interested in the prosecution of the above-entitled case, because the issues therein have now become moot and academic, by reason of the said amicable settlement adverted to above."[9]

The Court required comment on such withdrawal motion from the parties.

The comments filed by PAL and by the union PALEA through new counsels, Attys. Calpo and Alvir, raise serious objections against the granting of such withdrawal motion filed by petitioners.

PAL's comment of December 2, 1965 brought to the Court's attention a series of orders issued by respondent Court notwithstanding the injunction issued by this Court, whereby respondent court in an order dated July 20, 1965, ruled *motu proprio* on the "side issue of whether or not the case at bar is a class suit" and ignoring the plain fact of record that the Manila court judgment of Saturday back wages was specifically in favor of "the members of the plaintiff union [PALEA] who have worked on Saturdays beginning July 1, 1957", held that since there were

only 26 PALEA members named as plaintiffs (above-named petitioners) out of a total membership of around 2,300, "the instant litigation is not a class suit but an ordinary civil action with the 26 persons named and appearing as plaintiffs as the only ones interested in this case as such." [10]

In orders of May 6, 1965 and October 6, 1965, respondent court required PAL to deposit the 20% deduction claimed for respondents-counsels Jimenez and Ampil corresponding to the second and third installments which PAL perforce so deposited in the respective amounts of P155,300.23 and P91,412.30 or a total of P246,712.53; added to the P200,000.00 already deducted by said counsel from the first installment of P1-million, said counsels' total claim for attorney's fees became P446,712.53. [11]

Petitioner Manuel G. Ferrer as attorney for plaintiffs below then asked that the very class suit instituted by him on behalf of his co-employees be dismissed on the ground that respondents counsels Jimenez and Ampil of PALEA had agreed to restore the deductions made from his Saturday back wages and the 25 other employees expressly named as plaintiffs. Atty. Ferrer manifested his consent that the balance of the amounts deposited by PAL corresponding to the back wages of his co-employees of PAL as expressly so awarded in the Manila court judgment be released in favor of said counsels of the union, which respondent court granted, notwithstanding this Court's preliminary injunction against the turn-over of such questioned deduction to the union or counsel.

Respondent court summarily ignored the basic questions raised as to the reasonableness and oppressiveness and lack of individual authorization on the part of the PAL employees - express awardees under the judgment award - of the deduction as alleged attorneys' fees and the fundamental fact that if the suit filed by Atty. Ferrer and his 25 co-petitioners was not a class suit, then respondent court could not acquire jurisdiction over the case, since the total claims of said 26 plaintiffs (petitioners herein) against the questioned deductions do not exceed P10,000.00, so as to fall within respondent court's jurisdiction as a court of first instance.

PAL taking up the cudgels for the overwhelming number of its employees whose interest and claims were thus seemingly abandoned by Atty. Ferrer who theretofore insisted on his class suit and complained against any deduction from the judgment award in behalf of all the PAL employees entitled to receive their Saturday back wages in full as awarded by the Manila court judgment, (expressly insisting in his petition at bar that respondent court's order "to turn over 25% of the employees' back wages to PALEA is unwarranted, arbitrary (and) beyond (its) jurisdiction" and that the suit filed by him was for the benefit of all PAL employees similarly situated as him and his 25 co-petitioners) asked that respondents be asked to explain their gross disregard of this Court's injunction writ and show cause why they should not be held in contempt of court.

The union PALEA filed through new counsels Attys. Calpo and Alvir, its "Opposition to Motion to Withdraw Petition dated October 28, 1965 filed by Manuel G. Ferrer" dated December 13, 1965 with the affidavit of Vicente S. Balajadia, new president of the PALEA, wherein they informed the Court inter alia that -

- - On May 1, 1965, PALEA contracted the professional services of Ceferino R. Magat & Associates represented by Atty. Eduardo M. Albano to handle all its cases and specifically to recover the 20% deducted by the old set of officers for payment to their previous counsels, respondents Jimenez and Ampil;
- - Neither the new president nor the board of directors of PALEA authorized Atty. Albano to enter into the compromise agreement dated October 22, 1965 for dismissal of the class suit instituted by Manuel G. Ferrer and 25 other plaintiffs (petitioners) in respondent court, which Atty. Albano executed and signed purportedly on behalf of PALEA without any authority whatsoever; and
- - PALEA's stand through its new set of officers since May 1, 1965 supported the stand of the PALEA members that "the former counsels, Enrique Jimenez and Mariano V. Ampil, Jr. had no direct client-lawyer relationship

with its members and therefore are not entitled to the 20% lawyers' fees asked for by them from the individual members" and PALEA's interest was to protect not only the rights of Ferrer and the 25 other named petitioners "but to protect also the rights of all the other employees of PAL similarly situated with Manuel Ferrer,"[12]

The Court under its resolution of February 28, 1966, resolved to take up Ferrer's motion to withdraw petition and the subsequent pleadings above related upon consideration of the case on the merits.

I

By virtue of the very grave and serious questions raised against the actuations of petitioner-Atty. Manuel G. Ferrer as counsel for petitioners, Atty. Eduardo Albano as counsel for PALEA who executed a purported compromise agreement on behalf of PALEA without authority and respondents-Attys. Jimenez and Ampil, who apparently caused the questioned 20% to be deducted and paid to them notwithstanding this Court's preliminary injunction, as well as of respondent judge himself who issued the orders for the release of the 20% deduction in contravention of this Court's injunction, as stated hereinabove, it is manifest that petitioners' motion to withdraw the petition at bar dated October 28, 1965 may not be granted.

The ground advanced in said motion that "petitioners are no longer interested in the prosecution of the case, because the issues therein have now become moot and academic, by reason of the amicable settlement" entered into by them on October 22, 1965 in the case below, lacks basis in fact and in law: In fact, because it is only Atty. Ferrer and his 25 named co-petitioners who have lost interest in the prosecution of the case - but not the many other thousands of PAL employees and their union, the PALEA, who as above stated, oppose the 20% deduction of attorneys' fees for respondents Jimenez and Ampil as unauthorized, oppressive and unconscionable; and in law, because the purported amicable settlement is only an amicable settlement of Ferrer's and his 25 co-petitioners' individual claims but without express individual authorization cannot bind the many other thousands of the real parties in interest, the PAL employees in whose favor the back wages award was explicitly made,[13] not to mention that the PALEA through its new set of officers expressly disclaims and rejects such settlement as having been executed by Atty. Albano in betrayal of its trust and without its authorization.

Since respondent court had declared Ferrer's suit to be his individual suit together with that of his 25 co-plaintiffs and not a class suit, it strains one's comprehension as to how on the strength of the so called amicable settlement executed by Ferrer as plaintiff and as counsel for the other 25 other plaintiffs, wherein they "recognize and honor" the old officers' commitment to pay respondents Jimenez and Ampil 20% attorneys' fees and "ratify" the said fees, respondent court, notwithstanding this Court's injunction, could order the release not only of the small share of Ferrer and his 25 co-plaintiffs (less than P10, 000) but of the entire questioned total of P446, 712. 53 corresponding to the unrepresented mass of PAL employees from whose backwages said amount (20%) was deducted without their consent and against their will. Since respondent court held that Ferrer and his 25 co-petitioners were representing their individual interests and not the mass of PAL employees similarly situated and awarded backwages, Ferrer and his co-petitioners obviously had no authority or personality to represent nor to bind the mass of PAL employees as far as the questioned 20% attorneys' fees were concerned.

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 semi-larly 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 petitions 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 warded 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.[14] 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.

In such assessment, respondent court will be guided by the very criteria agreed upon by respondents-attorneys Jimenez and Ampil in their so-called "compromise agreement" of October 22, 1965 with Ferrer[15] wherein Ferrer presumptuously purported to "ratify" the 20% charged by said counsels as "just and reasonable," and by this Court's guidelines on the matter.[16]

## 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.[17]

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.

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 redeposit 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 redeposit 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.

The Clerk of Court is directed to serve copies of this decision directly to the PALEA as well as to their counsel of record, Attys. Calpo and Alvir.

### **SO ORDERED.**

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

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[1] 11 SCRA 387 (June 30, 1964).

[2] Rollo, pp. 23-24; emphasis supplied.

[3] Rollo, p. 17.

[4] Rollo, p. 26.

[5] In Case 43-IPA of the court of industrial relations.

[6] Rollo, pp. 18-19; emphasis supplied.

[7] Rollo, pp. 13-14.

[8] Rollo, pp. 99-100.

[9] *Idem*, p. 123.

[10] Rollo, pp. 143-144.

[11] Rollo, p. 140.

[12] *Idem*, pp. 169, 170.

[13] See *Heirs of T. M. Cruz vs. CIR*, 30 SCRA 917 (1969) and cases cited.

[14] See fn. 13.

[15] The so-called "compromise agreement" cited "the length of time (6 years) consumed in the litigation, the 13 witnesses presented by the 'PALEA', and the 78 documents as Exhibits in the case, the expenses incurred in the prosecution of the suit, and last but not least, the favorable verdict obtained."

[16] See *Heirs of T. M. Cruz vs. CIR*, fn. 13, where this — Court authorized collection of 30% contingent attorneys' fees only on P150, 000, 00 of a P423, 756. 74 judgment; and *Meralco Workers Union vs. Gaerlan*, 32 SCRA, 419 (1970).

[17] See *Comm. of Public Highways vs. San Diego*, 31 SCRA 616, 622 (1970).

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