

CENTRAL VEGETABLES OIL MANUFACTURING COMPANY, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS AND PHILIPPINE OIL INDUSTRY WORKERS UNION, RESPONDENTS.

G.R. No. L-7519. June 30, 1955

Ponente: REYES, J.B.L., J.

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REYES, J.B.L., J.:

By agreement subsequently approved by the Court of Industrial Relations, aid embodied in its award of July 23, 1948 in Case No. 146-V, the petitioner Central Manufacturing Co. and the respondent Philippine Oil Industry Workers Union stipulated the following:

"1. That pending the re-opening of the factory in all its departments:

'(a) Alfonso de los Reyes will work in place of Primitivo Tan at P6.00 per day and he and Jose Deogracias (the latter at P6.30 per day) will be working regularly in the filling department;

'(b) Primitivo Soriano will be working as a helper electrician at P3.30 per day;

'(c) Apolinario Roque will work as filterman at P6.12 per day;

'(d) The above-mentioned laborers shall start working on Monday, July 19th, 1948.

'2. That, if the new machinery has not been installed upon the re-opening of the factory in all its departments, the Company shall admit, all the former laborers of April 3, 1948; that, if the new machinery has then been installed upon the re-opening of the factory in all its departments, the Company and a duly authorized representative of the Union shall determine who among the former laborers shall be hired for each kind of work it deemed capable to do the same and any disagreement thereon will be submitted to the Court of Industrial Relations for arbitration and decision; provided, however, that during the negotiation and the pendency of the matter before the Court of Industrial Relations, the laborers called by the Company and the Union members shall work and continue working to the end that the reopening of the factory shall not be delayed;

'3. That, upon the re-opening of the factory in all its departments, the Company and a duly authorized representative of the Union shall fix wages of the laborers at such scales similar to those of the Philippine Refining Company, inasmuch as the same machines now being used by the said Company are to be installed in the factory; and, in case of any disagreement, the provision in paragraph 2 of this agreement will apply;

'4. That all laborers of April 3, 1948, shall be given a loan of twenty (20) days wages, except those who already received gratuity from the Company as per attached list and those who will be working during the present period pending the re-opening of the factory in all its departments, said loan being without interest and payable at the rate of twenty (20%) per centum of each laborer's weekly wage; except, however, that those laborers who are forcibly laid off shall have the right to keep their loan without obligation to repay the same.

'The above-mentioned Union agrees to allow its affiliated laborers who were working on June 10, 1948, to resume

work immediately upon signing of this agreement."

(Annex A, petition).

In 1949, the Union served upon the Company demands for better employment conditions, which in due course reached the Court of Industrial Relations as its Case No. 342-V. On August 13, 1949, the Company instituted proceedings in the Court of Industrial Relations (Case No. 342-V[2]), complaining that the Union had violated the aforementioned agreement and award, by failing to appoint a representative to fix wages as therein provided; by unauthorized absence or strike of 24 members of the union in the oil department from and after August 8, 1949; and by refusal of the union to abide by the wages determined in said agreement; hence the Company prayed for authority to discharge the 24 workers involved. The majority of the Judges of the Court of Industrial Relations refused to so authorize and by resolution of July 21, 1950 ordered that the 24 laborers be "repuestos en sus respectivos trabajos" with pay from the time the operation of the factory was resumed. This resolution was affirmed by the Supreme Court on May 28, 1952 (Central Vegetable Oil Manufacturing Company, Inc. vs. Philippine Oil Industry Workers Union (CLD), C.V.C., Local, G.R.No.L-4061).

Upon remand to the Court of origin, the Union asked for execution of the final judgment on August 3, 1952. The Company objected and prayed for amendment and clarification of the order of reinstatement with pay, averring that by the agreement of July 17, 1948, the 24 laborers involved were not entitled to reinstatement in the "new" oil mill that re-opened on May 1, 1950, upon installation of new machinery (so-called "super duo expellers" or "super duos"); that the Supreme Court had not ordered their reinstatement with back pay, and if it had, no back wages were due from and after the reopening of the factory on May 1, 1950.

The majority of the Court of Industrial Relations, after due hearing and reception of evidence, found (1) that there was no new oil mill in the factory, but the same oil mill with additional machinery; (2) that the old duo expellers where the 24 men involved used to work were still in operation; (3) that the operations were suspended on August 8, 1949, due to readjustment of the machinery; (4) that before that time, the laborers involved had been working with the super duo expellers; (5) that "it is not true that the 24 laborers were hired for specific work, and once terminated, their services necessarily end", as the work in the oil mill continues to the present with practically the same personnel. therefore, the execution of the judgment was ordered, overruling the contentions of the company. The latter then brought the case to us for review.

A preliminary point is raised that as only twenty-four laborers are affected in this dispute, the Court of Industrial Relations lacked jurisdiction to act, because section 4 of Commonwealth Act No. 103 requires that the number of employees or laborers involved should exceed thirty. It is to be presumed that this point was decided against the Company in the previous case that culminated in our decision in Case No. G. R.No.L-4061, the present case being merely a result of that decision; and the reason is that, as pointed out for respondent Court of Industrial Relations, Case No. 342-V(2) was merely an incident of Case No. 342-V, involving the demands of the Union for better conditions, and there is no showing that the Court below had no jurisdiction over that main case. The allegation of lack of jurisdiction is, therefore, without merit (Cebu Portland Cement Co. vs. C.I.R., G.R.L-6153, March 11, 1954).

The principal argument of the appellant on the merits of the case is stated in p. 37 of its brief as follows:

"But the real point that should not be obscured is that the employment of the 24 laborers in the reopened factory of the appellant company would be effected through negotiations between the company management and the union representative and not through the compulsion of a judicial order. The respondent union refused to bargain or negotiate under the terms of the agreement. It was therefore guilty of an unfair labor practice [Sec. 4(b) (3), Rep. Act. No. 875]

The argument is not entirely correct. It is true that under the agreement of July 17, 1948, it was contemplated that the reemployment of the laborers in the reorganized factory would be effected by determination of the Company and a duly authorized representative of the Union, but only if an agreement could be reached by them; because the contract also expressly envisaged the possibility of disagreement, and in such contingency it was provided that

"any disagreement thereon will be submitted to the Court of Industrial Relations for arbitration and decision";

so that, in the last analysis, who of the 24 laborers (now reduced by death to 23) would be reemployed in the reorganized factory and where, could be also effected "through the compulsion of a judicial order" of the Court of Industrial Relations.

Neither is it true, as appellant contends, that the jobs of the 24 (now 23) laborers involved ceased to exist when the mill was reorganized and the new machinery installed, "that after the old mill ceased to operate, their specific jobs ceased to exist". Precisely the reverse is contemplated by the agreement of July 17, 1948, in its paragraphs 2 and 3. Says paragraph 2—

" x x x provided, however, that during the negotiation and the pendency of the matter before the Court of Industrial Relations, the laborers called by the Company and the Union members shall work and continue working to the end that the reopening of the factory shall not be delayed." (Emphasis supplied).

Paragraph 3, concerning the fixing of the wages in the reopened factory, reiterates that "in case of disagreement the provisions in paragraph 2 of this agreement shall apply."

Thus, any disagreement notwithstanding (and the refusal of the Union to negotiate was in effect such a disagreement), the laborers were, under the contract, to "work and continue working" until the controversy was finally settled by the Court of Industrial Relations. Of necessity, this implies that until such definitive settlement, the Company was obligated to give work to the union members, including the laborers of the oil department involved in the present case. How can it be successfully contended, therefore, that the jobs of these laborers had ceased to exist when the Court of Industrial Relations has not yet finally decided who should be retained and at what wages?

There is no better proof that the jobs of these laborers have not ceased to exist than the finding of the majority of the Court of Industrial Relations in the resolution under review, that "there is still work for the 24 laborers as shown by the fact that there is the same number of workers now operating the oil mill as before, with the exception of minor changes," and that "the three (3) due expellers in the oil mill where the 24 laborers worked before are still in the factory and they are still being operated." These findings of fact are conclusive upon us, specially since the dissent of Judges Roldan and Castillo also admits that "the three duo expellers were reinstalled in line with the new super duo expellers", a finding which substantially agrees with that of the majority.

And since the jobs continue to exist, and will continue to exist until the ultimate arbiter, the Court of Industrial Relations, decides otherwise (because the agreement of July 17, 1948, so provides), the award in case No. 342-V(2), that the laborers "sean repuestos en sus respectivos trabajos con pago de sus jornales desde el dia en que se ha reanudado el trabajo en la fabrica", affirmed by this Court, still stands and remains operative and executory.

It seems pointless for appellant Company to argue now that the laborers have lost the right to reinstatement because their strike was¹ illegal and aimed at circumventing the agreement of July 17, 1948, and that such act constituted unfair labor practice.

Not only was this issue already present and considered by the Supreme Court in the preceding case (G.R. L-4061, May 28, 1952), but the decision therein denied that the strike was illegal, and] that ruling is conclusive:

"The demands that gave rise to the strike may not properly be granted under the circumstances of the case, but that fact should not make said demands and the subsequent strike illegal, x x x". In this connection, it may be mentioned, that there is nothing in the agreement of July 17, 1948 that may be interpreted as prohibiting the Union absolutely from seeking more working days or better , conditions for the laborers. And such prohibition will be patently immoral if not illegal." (Emphasis supplied).

That the laborers have not committed any illegality in going on the original strike is, therefore, res judicata and beyond reexamination. Much less could the strike constitute unfair labor practice under Rep. Act 875, for this Act was only adopted in 1952 and the strike took place in 1949.

In the absence of illegality, the proper step for the Company to take, in view of the Union's refusal to negotiate (if such refusal existed), should have been to ask the Court of Industrial Relations to settle the dispute, as provided in paragraphs 2 and 3 of the agreement of July 17, 1948; and said Court could have then decided the laborers that should be regained and the wages to be paid.

The appellant argues that the laborers should not be entitled to pay during the pendency of the previous case (G.R. No. L-4061) because the order of the Court of Industrial Relations to reinstate them, with pay from the time the factory resumed operations, was predicated on the ruling of said labor Court that there was no strike; while the Supreme Court found that there was a strike but that it was not illegal. Whatever the change in the ratio decidendi should happen to be, the fact is that the Supreme Court affirmed the order appealed from, and did not modify it in the least. Whether, on the basis that a lawful strike existed, the order of the Court of Industrial Relations should not have been affirmed, but modified by deleting the award of back wages, is an issue that could and should have been raised in the former proceedings, before the confirmation of the award become final, and can not be entertained thereafter.

The appellant Company had ample opportunity to litigate in the previous proceedings the very questions it poses in the present case, since the factory was reorganized four months before the Court of Industrial Relations rendered the disputed award of July 21, 1950, while said order was not affirmed by this Court until May 23, 1952. In fact, as elsewhere noted in this opinion, most of the questions now discussed by the appellant (like its obligation to admit the workers in the reorganized factory, and the legality of the strike) were also discussed by it in G.R.No. L-4061. Such questions, therefore, did not justify any change of the final decision.

There being no circumstances authorizing or justifying a modification of the previous order of reinstatement, affirmed by this Court in G.R. No. L-4061, the order granting execution thereof is affirmed. Costs against appellant,

Bengzon, Padilla, Montemayor, Reyes, Jugo, Labrador, and Concepcion, JJ., concur.

Paras, C.J., Pablo, and Bautista Angelo, JJ., no part.

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