

UNION OF PHILIPPINE EDUCATION EMPLOYEES, PETITIONER, VS. PHILIPPINE EDUCATION CO., INC., RESPONDENT.

G.R. No. L-7161. May 19, 1955

Ponente: BAUTISTA ANGELO, J.

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BAUTISTA ANGELO, J.:

This is a petition for review of a portion of a decision of the Court of Industrial Relations rendered on July 27, 1953 in Cases Nos. 791-V and 791-V(1) which orders the reinstatement of Edmundo Perez, Diogenes Perez and Benjamin Perez as soon as there is work for them to do, and the re-admission of Estanislao Manansala, Primitivo Antonio and Francisco Madrid subject to the discretion of the management of the Philippine Education Co., Inc.

The two cases above adverted to in reality constitute only one which arose from the lay-off by the company of nineteen (19) employees belonging to the Union of Philippine Education Employees and as protest against said lay-off the union staged a strike on January 16, 1953. The two cases were heard together but only one decision was rendered therein.

This two cases are merely incidents of several previous cases between the same parties which have not yet been terminated. One of said cases which was filed by the union on August 9, 1950 involves the dismissal of Jacinto Fabroa and Juanito Carandang, president and secretary, respectively, of the union which caused the members of said union to strike on August 10, 1950 [Case No. 489-V(1)]. After due hearing, the court found the dismissal unwarranted and the strike legal, but while it ordered the reinstatement of Fabroa and Carandang, the court refused to decree the payment of their back salaries, and it was from that portion of the decision that they appealed to the Court. On March 31, 1952, this decision was affirmed (G.R. No. L-4423). In connection with that case, in order to settle the strike declared by the union, the parties reached an agreement, which was made the basis of an order of the court on August 14, 1950, which contains, among others, the following stipulation:

"That during the pendency of this case, the laborers shall not declare a strike and the respondent company, on the other hand, shall not dismiss, lay-off or suspend any of its employees without just cause and the express authority of the Court x x x."

The issues posed by the petitions filed in the two cases which formed the basis of the decision of the court are: (1) is the action of the company in laying-off nineteen (19) of its employees justified or not?; and (2) is the strike declared by the union legal?

With regard to the first issue, the court found that the lay-off of the nineteen (19) men, with the exception of three (3), was discriminatory and unjust, and with regard to the second, it found it to be legal, the decision containing the following dispositive part:

"Wherefore, it is hereby ordered:

1. That, with the exception of Edmundo Perez, Diogenes Perez and Benjamin Perez, the other 16 laid-off employees named above be reinstated with backpay;

2. That said Edmundo Perez, Diogenes Perez and Benjamin Perez be reinstated without backpay as soon as there is work for them to do; and
3. That the strikers return to work immediately and be readmitted by the management without question, with the exception of Estanislao Manansala, Primitivo Antonio and Francisco Madrid whose readmission is left to the discretion of the management."

It is against this decision that the petitioning union brought the present petition for review praying that the six (6) above mentioned members whose separation from the service was found justified be reinstated and that their salaries be paid during the period of their separation.

The petitioning union contends that the portion of the decision of the court a quo ordering the reinstatement of Edmundo Perez, Diogenes Perez and Benjamin Perez as soon as there is work available for them is contrary to law and is not supported by the evidence because their dismissal was made in violation of the agreement entered into between the parties on August 14, 1950 which provides that no employee shall be dismissed without the authority of the court. The respondent company, on the other hand, contends that the agreement on which the union relies for holding the lay-off unwarranted and illegal was entered into in connection with Case No. 489-V(1) involving the dismissal of Fabroa and Carangdang which was already finally decided by this Court on March 31, 1952 and, therefore, said agreement has long ceased to have force and effect when respondent reduced its personnel subject of the present case. Such lay-off cannot therefore be considered unwarranted and illegal.

We find this contention of respondent company well taken, for it indeed appears that when the lay-off of the nineteen employees of the company, including Edmundo Perez, Diogenes Perez and Benjamin Perez, was declared on January 15, 1953, the case wherein the agreement of August 14, 1950 was entered into had already been finally terminated and stands to reason that the same lost its validity when the case that gave it life was finally decided by this Court. And as the incident which resulted in the dismissal of Fabroa and Carangdang has completely no bearing on the lay-off of the nineteen employees subject of the present action, there is indeed no plausible reason why the company should still be hamstrung by the limitation of that agreement and be held accountable therefor as now pretended by the petitioning union.

There is, however, one fundamental reason why the action of respondent company in laying off, not only the three employees, but also their other companions, appears to be justifiable. It is, according to the company, "to save it from further losses and inevitable bankruptcy." This reason is more specifically stated in the notice sent by the company to each of the laid-off employees which reads in part as follows:

"The Controls continue to cut more and more into our business. The importation of toys is banned altogether, and the negligible 5% quotas for radios, fountain pens, and many other articles, sharply reduces or practically eliminates our trade in such lines, and seriously lessens our sales and profits. We are forced to make further economies in operating expenses, and to dispense with the services of employees who are no longer needed.

It also appears that during the trial of this case, the president and general manager of the company, David G. Gunnell, elaborating on the reason which prompted the company to lay-off the nineteen employees, brought out the following facts concerning the elimination of the three employees with which we are now concerned. This is what he said: "Edmundo (Eddie) Perez, treasurer of the union, had no more work to do because he was a salesman for high-grade fountain pens but for the last two years the respondent has not been able to get any license for the importation of such fountain pens. In the case of Diogenes Perez, he is in the same situation as Edmundo Perez because his principal job was to sell electric ranges but the importation of electric ranges was absolutely banned x x x.

Benjamin Perez, a radio mechanic in the Music Department, had to be laid-off because there was no more radios

for sale and the company was no longer importing them." (Decision of the court dated July 27, 1953, pp. 7-8.) These are the findings of the court a quo. The union has offered no proof to contradict them. We, therefore, find that the elimination of the three employees above mentioned is justified.

With regard to Estanislao Manansala, Primitivo Antonio and Francisco Madrid, who were also eliminated, but whose readmission was left to the discretion of the management, the court a quo found that they have assaulted and inflicted physical injuries on some of their fellow-workers simply because they refused to join the strike staged by the union on January 15, 1953. After making a careful study of the evidence presented in connection with the alleged assault, the court made the following conclusion:

"We conclude from the foregoing that only three strikers are guilty of resorting to violence in an effort to prevent some non-strikers from continuing to work. They are Francisco Madrid, Estanislao Manansala and Primitivo Antonio. It has not been shown, however, that they assaulted their victims with the previous knowledge or consent of the union leaders or of the union as a whole. In other words, they committed the acts complained of of their own accord and on their own responsibility and they are the only ones that should suffer the consequences of their conduct."

It is true that because of the assault and the physical injuries committed by the three employees on their fellow-workers criminal charges were filed against them in the municipal court of Manila and the case is still pending determination, but such pendency should not be allowed to stand against the action taken against them by the Court of Industrial Relations. What is important is to determine if such action is supported by the evidence and we find that it is. Anyway, the door has not been closed to their readmission. If they are found to be deserving, and the situation warrants, there is reason to expect that they will be readmitted.

The portion of the decision appealed from is affirmed, without pronouncement as to costs.

Pablo, Bengzon, Padilla, Montemayor, Reyes, Labrador, Concepcion, and Reyes, J.B.L., concur.

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