

RUPERTO SANCHEZ, DOING BUSINESS UNDER THE NAME AND STYLE OF PRESERVER SHOE COMPANY AND MODESTO SANCHEZ, PETITIONERS, VS. THE COURT OF INDUSTRIAL RELATIONS, PRESERVER SHOE WORKER...

G.R. No. L-19000. July 31, 1963

Ponente: BARRERA, J.

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BARRERA, J.:

On October 1, 1958 respondent union, thru an acting prosecutor of the respondent court, filed with the latter an amended complaint charging petitioners herein with unfair labor practices alleged to consist in petitioners' refusal to bargain collectively with the representatives of the respondent union; in petitioners' dismissal of respondents Francisco Torrigozo and Julian Regente for union' activities; in petitioners' continuous threat to the members of the union with dismissal if they continued with their union activities; and in compelling said respondent members to go on strike on May 21, 1958 to protect themselves against such unfair labor practices.

To this complaint, petitioners filed an answer on November 19, 1958, denying specifically all the material allegations of the complaint and interposing special defenses as follows: that petitioners business was the manufacture of shoes, not for sale to the general public, but only in fulfillment of individual contracts, secured from time to time thru public bidding to supply footwear to organization such as the Armed Forces of the Philippines, the Philippine Constabulary and others; that in view of the nature of their business as above described, petitioners could not and did not employ any permanent laborers or workers but employed only temporary workers as the need arose, the period of employment in each case being only for the length of time necessary to finish the manufacture of the footwear called for in each particular contract; that the last footwear supply contract secured by petitioners prior to the occurrence of events alleged in the complaint as unfair labor practices, was one which called for 31,175 pairs of shoes for the Armed Forces and which contract was fully performed as provided for by its terms on or before May 17, 1958 and therefore the persons (including the respondents herein) temporarily employed to supply labor ceased to be employees of petitioners on or before May 17, 1958; that since there was no employer-employee relationship between respondent laborers and petitioners on May 21, 1958, the date of the strike, said strike is illegal and violative of Sections 14 and 15 of Republic Act 875; that respondent union continued to picket illegally the premises of petitioners employing force, threats, and intimidation to stop, coerce, block and restrain said petitioners, their customers, clients and friends from entering their offices, as a result of which eight (8) members of respondent union were prosecuted and convicted of malicious mischief in the Municipal Court of Manila; that the respondent court therefore had no jurisdiction of the case.

On August 1, 1961, the respondent court, after trial, rendered decision ordering petitioners to cease and desist from engaging in unfair labor practices against their workers; to reinstate F. Torrigozo and Julian Regente and to pay their back wages from the date of dismissal until reinstated; to reinstate the workers mentioned in the amended complaint within five days from the decision and to pay back wages from May 18, 1958 until actually

reinstated.

On August 17, 1961, petitioners filed a motion for reconsideration of the decision to which respondent union filed opposition. In due time, the lower court en banc, issued a unanimous resolution denying the motion for reconsideration.

Not satisfied the result, petitioners filed the present petition which petitioners, in a motion on January 29, 1962 duly filed with this Court, claimed to be a special civil action for certiorari under Rule 57 of the Rules of Court, but which this Court by Resolution of February 16, 1962 resolved to be of the nature of an appeal or review. Notwithstanding said resolution, petitioners nevertheless filed their brief on the theory that the present action is a special civil action for certiorari thereby imputing to the respondent Court of Industrial Relations grave abuse of discretion in rendering the decision complained of and further contending that unlike in a regular appeal by certiorari, it cannot, and does not assign ordinary errors.

Petitioners maintain that the respondent court committed a grave abuse of discretion in not finding that the respondent workers were employed under specific contracts with limited term only for the duration of the work needed to finish the number of shoes contracted for, and in rendering the decision complained of and refusing to reconsider the same.

An examination of the record reveals that the entire question hinges on one issue: whether the respondent workers were employees of the Preserver Shoe Company owned by the petitioners, after May 17, 1958. There is no doubt that the question is jurisdictional because if the respondent workers were in fact not employees of the petitioners after May 17, 1958, or more exactly on May 21, 1958, the time of the strike, then the complaint for unfair labor practices will not lie since such suit postulates the existence of an employer-employee relationship. If the record should show that from the nature of petitioners' business the respondent workers were employees of petitioners only for the duration of the latter's contract to supply shoes, there can be no question that the respondent court had no jurisdiction to issue the order appealed from.

In this connection, the trial court found:

"After due perusal of the evidence adduced by the parties, together with the records of the case, the Court found the following:

"Respondent Preserver Shoe Company is engaged in the manufacture of shoes on contract basis with the Army, Navy, Air Force, Police Force, Military Cadets. Such contracts were secured by said company through public bidding. Dr. Modesto Sanchez is the general manager of said respondent and had been in the footwear business for more than 20 years. Many of the workers of respondents were employed in 1947, 1951, 1952, 1953, 1954, 1956 and 1957. One of respondents' workers, Justo Tuazon had worked more than 20 years.

"In its Amended Answer, respondents urged the Court to dismiss the Amended Complaint because there is no relationship of employer and employee existing between complainants and respondents.

"Records show that respondent company made its workers sign 'APPLICATION AND CONTRACT WORK' blank forms similar to Exhibit '1' and (4) In said blank forms, the name of the applicant and his rate of wages per day are typewritten, while his residence is handwritten. The signatures appearing in said blank forms are those of the applicant, Dr. Sanchez for the company and the two instrumental witnesses. The date when said application was supposed to have been filed and the period of the supposed contract do not appear, and although such contract is supposed to be notarized, it was never notarized. The stamps 'CONTRACT WORKER' and 'CONTRACT COVERAGE' are of recent markings, which means that there were no stamps yet when the contract was executed. As a matter of fact, there is no need for the said stamps, because there is already a blank line that could be filled with 'contract worker' in paragraph 1, and the contract coverage could

have been added at the end of paragraph 2 of the contract, if that was really the purpose of management. As the blank forms were filled, without stamps, the Court is prone to believe that at the end of every contract, the workers were never dismissed, but were made to wait until the next bidding; so that in the meantime the workers were allowed to stay in the factory and were made busy by being given some kind of work. Such was the situation between complainants and respondents after May 17, 1958. Because the workers were given some kind of work even after the termination of the contract, said workers reported for work as in the past. It is the mind of the Court that the relationship of employer and employee between the parties has not been terminated after May 17, 1958 in the same manner that the same was not severed in the past after the termination of each contract, and such relationship between the parties confers jurisdiction upon this Court to entertain the present case.

"When asked by complainants for the production of their daily time records for May 19 and 20, 1958, respondents answered that they could not produce the same because the contract was terminated on May 17, 1958 and there was no work in the factory after that date. If respondents were sincere in their allegation that there was no work or transaction of any kind on May 19 and 20, 1958, they should have shown their Cash Book to the Court because if really there was no payment made to complainants who worked on May 19 and 20, 1958 the same would have been reflected in the Cash Disbursement side of said Cash Book. In paragraph 15 of the Amended Answer of respondents, it is averred that complainant union continued for some time to picket illegally on the premises of the company, and even went as far as to stop, coerce, block, and restrain respondent Dr. Modesto Sanchez as well as his customers, etc. If the factory was closed as of May 17, 1958 as alleged by respondents, there should be no reason for the company's customers to be entering and leaving its premises after the said date. On this point, the Court is prone to believe that there was work on May 19 and 20, 1958. Hence, when Francisco Torrigozo was dismissed by management on May 19, 1958, and Julian Regente, on May 20, 1958, said workers were still employees of respondents."

The conclusion of the court that "the relationship of employer and employee between the parties has not been terminated after May 17, 1958 in the same manner that the same was not severed in the past after the termination of each contract" (to supply shoes) and that "such relationship between the parties confers jurisdiction upon this Court to entertain the present case", is now being assailed as bereft of any supporting evidence.

The records show otherwise. In the decision itself, the testimony of no less than five witnesses has been lengthily analyzed, in addition to the sworn oral statements in open court of sixteen others who declared having started working in petitioners' company in 1952, 1953, 1954, 1956, 1951, 1947 and 1957 (see p. 9 of the decision), as against the sole uncorroborated declaration of only one of the petitioners. From this mass of evidence the court found as duly established that petitioners have been in the foot-wear business continuously for more than 20 years that many of the respondents have been working for the petitioners since 1947, 1951, 1952, 1953, 1954, 1956 and 1957, one of them (Justo Tuazon), for the last 20 years; that on April 8, 1958, the workers organized the respondent union and registered it in the Department of Labor on April 10. On May 2, petitioners were advised of such organization. Subsequently, petitioners required respondent-workers to sign "APPLICATION AND CONTRACT WORK" blank forms in which appears the name of the applicant, his rate of wages per day and his residence. The date of the application and the period of the supposed contract do not appear. Subsequently, on May 19, the union officers presented the union's petition to negotiate a bargaining contract. Thereupon petitioners dismissed the president, respondent Francisco Torrigozo, and on May 21, respondent Julian Regente. As a result, the union declared a strike on the same date.

To the defense that the respondents were under contract as evidenced by the forms signed by some of the respondents, the court found that the stamps "CONTRACT WORKER" and "CONTRACT COVERAGE" were recently placed on the forms and consequently were not binding on the signers. The conclusions of the lower court are therefore sufficiently supported by substantial evidence. Let it be noted that the court en banc reaffirmed

the decision in unanimously denying the motion for reconsideration filed by the petitioners.

"The Court of Industrial Relations is governed by the rule of substantial evidence rather than by the rule of preponderance of evidence as in ordinary civil cases." (Iloilo Chinese Commercial School vs. Fabrigar, et al., G.R. No. L-16000, December 27, 1961). The decision appealed is hereby affirmed, with costs. So ordered.

Bengzon, C.J., Padilla, Bautista Angelo, Labrador, Concepcion, Reyes, J.B.L., Paredes, Dizon, Regala and Makalintal, JJ., concur.

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