

## PHILIPPINE SUGAR INSTITUTE, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS, ET AL., RESPONDENTS.

*G.R. No. L-13464. May 25, 1960*

Ponente: PARAS, C.J.

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### PARAS, C.J.:

The records bear out the following facts:

Above petitioner-institute (a semi-public corporation) purchased the assets of the Insular Sugar Refining Corporation and the defunct Insurefco and Paper Pulp Project Workers' Union (now the National Sugar Workers' Union-PAFLU). Before the purchase, the employees of the Insular Sugar Institute and the employees of the refinery through their organization, the Insurefco and Paper Pulp Project Workers-Union, had made demands for wage increases and other conditions of employment. Appropriate proceedings were instituted before the Court of Industrial Relations. To facilitate the immediate disposition of the dispute, the parties effected an agreement dated June 11, 1949 which was approved by the said Court on June 20, 1949. On the matter of wage increases, the case was submitted for arbitration before the same Court. After hearing, the Court granted an increase of fifty centavos to all daily workers in its order of February 10, 1951. Petitioner complied with the said awards for a period of more than three years.

On January 8, 1955, petitioner filed with the Court of Industrial Relations a notice to terminate the partial agreement of June 20, 1949 and the award of February 10, 1951 with the prayer that the termination shall be effective on the date of the notice.

Petitioner avers that under section 17 of Com. Act No. 103, the partial agreement above-mentioned may be terminated by mere notice to the Court of Industrial Relations, considering the fact that no period for its effectivity was mentioned in the awards and the further fact that the same had been complied with for three years.

Respondent union on the other hand contends that mere notice to terminate does not automatically end the awards and that the union could therefore properly contest the notice to terminate.

The issue involves the provisions of Section 17 of Com. Act No. 103 which says:

"Section 17—Limit of effectiveness of Award—An award, order or decision of the Court shall be valid and effective during the time therein specified. In the absence of such specification, any party or both parties to a controversy may terminate the effectiveness of an award, order or decision after three years have elapsed from the date of said award, order or decision by giving notice to that effect to the Court: Provided, however, that at any time during the effectiveness of an award, order or decision, the Court may, on application of an interested party, and after due hearing, alter, modify in whole or in part, or set aside any such award, order or decision, or reopen any question involved therein."

The above provision enumerates two kinds of awards, order or decision. The first kind is that award with a specified period within which the same may be enforced. The other kind is that without any specification as to its

duration. As regards this second kind, any party to the controversy may terminate the effectiveness of the award, order or decision as long as it had been enforced for a period of not less than three years from the date of said award, order or decision and provided that notice has been given to the Court.

It is true that with reference to this second kind, the law as stated requires only, aside from the lapse of a three-year period, the giving of "notice" to the Court of Industrial Relations. It is equally true that the statute makes no mention of "due hearing" or other conditions such as notice of termination to the opposing party. Nevertheless, the necessity of "due hearing" is implicit in the very phrase "notice to the Court", for them, what would be the purpose of "notice to the Court" other than that the Court should be given an opportunity to pass upon the merits of the proposed termination.

This Court has opined in the case of *Katipunan Labor Union vs. Caltex (Phil.) Inc. and Court of Industrial Relations*, L-10037, May 27, 1957) that because the agreement (like the award in the instant case) sought to be terminated was the result of compromise arrived at by and between the parties and approved by the court upon their submission, a hearing is necessary to show supervening conditions that would justify abandonment of the contract.

The Court a quo's findings that there existed no cause to justify the termination of the award shall likewise be conclusive on this Court.

Wherefore, the order appealed from is hereby affirmed in all parts and respects, with no pronouncement as to costs. So ordered.

Bengzon, Montemayor, Bautista Angelo, Labrador, Concepcion, Barrera, and Gutierrez David, JJ., concur.

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