

E. LIM & SONS MANUFACTURERS, INC., AND ANTONIA SUN LIM, PETITIONERS, VS. COURT OF INDUSTRIAL RELATIONS, E. LIM & SONS MANUFACTURERS, INC. WORKERS UNION, FELIXBERTO PAULE, MAXIMO...

G.R. No. L-39117. September 25, 1975

Ponente: FERNANDO, J.

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FERNANDO, J.:

The decisive issue posed by petitioners in this appeal by certiorari from a decision of the Court of Industrial Relations is that the designation of acting judges pursuant to a Letter of Instruction of the President of the Philippines of June 3, 1974[1] authorizing the appointment of its qualified personnel to fill the three vacant salas occasioned by the acceptance of the resignation of their occupants by the President, is vitiated by constitutional infirmity. It is their contention that after the effectivity of the present Constitution, it is only this Court that could make temporary assignment of judges, the validity of such designation being thus open to question. It is likewise their submission that even on the assumption that the President could do so, there was an unlawful delegation of authority. The basic flaw from which such a stand suffers arises from their failure to defer to the controlling doctrine that the now defunct Court of Industrial Relations, as Justice Laurel pointed out, instead of being a part of the integrated judicial system, was more of an administrative tribunal.[2] What was done cannot justifiably be assailed therefore as violative of the fundamental law. That is all there is to the case, and there is no ground for reversal.

From the facts of the case as found by the former labor tribunal, it is easily understandable why the attack on the decision rendered would cast doubt on its competence to pass upon the controversy. For the evidence did show clearly the existence of unfair labor practice consisting of interference, restraint and coercion of employees in the exercise of the right to self-organization.[3] There was more than credible and competent proof that upon the organization of the respondent Union, Emilio Lim and Sons and Manufacturers, Inc. Workers Union, petitioners, the management, employed harassment tactics aimed at stifling the exercise of the right to self-organization. The union president, a senior refrigeration technician, was made to perform the task of a janitor. Thereafter, he was told that the union would not be accorded recognition and that there would be no collective bargaining. Even worse, their employment was soon terminated allegedly due to temporary closure because of excess of inventory and lack of financing, but soon thereafter, business was resumed and new employees hired. There was not even an innovative approach to the traditional mode in which certain employers persist in openly flouting the mandates of a labor statute. Nor was there the least attempt at disassembling their anti-labor practices. No other decision on the merits could have been rendered then by the defunct respondent Court of Industrial Relations.

It is almost trite to say that conduct of such character, which on its face betrays a clear failure to abide by what the law commands, is no susceptible of any valid defense. What is deserved, and so it turned out, was condemnation. To repeat, it is apparent why counsel for petitioners had no choice but to scan the records and to try to locate legal infirmities which could serve to render nugatory the adverse decision of the Court of Industrial Relations. To their

credit, they worked hard at it. The laborious effort is discernible not only in the petition; review but also in the memorandum submitted. Such industrial worthy not of a better, but of a just cause, avails petitioners naught. The fundamental objection, with its constitutional overtones, of encroachment on the power of supervision of this Tribunal over inferior courts by the designation of hearing commissioners as acting judges, reflects the view, as set forth at the outset, that it is not what is contained in the decision but the absence of a competent tribunal that rendered it. As also mentioned earlier, such a stand is devoid of merit. Nor we petition fortified by the claim that there were other alleged deficiencies. That is why, as noted, we cannot reverse.

1. More specifically, the fundamental constitutional objection raised arose from the fact that upon the acceptance of the resignation of three members of respondent Court, three Acting Judges, Alberto Dahnacio, Guillermo Medina, and Perez, then hearing commissioners, were so designated. Invoking the pertinent provision of the Court of Industrial Relations Act providing that the Secretary of Justice could designate court of first instance judges to sit to fill temporarily vacancies therein^[4] and referring to the grant by the present Constitution of the power of this Tribunal to assign "temporarily judges of inferior courts to other stations" in accordance with the requirement of public interest,^[5] they stigmatize what was done according to the Letter of Instruction of the President of the Philippines as violative of the authority of this Court to exercise supervision over all courts."^[6] There is a basic flaw to such a contention: Contrary to what was expressly held in *Ang Tibay v. Court of Industrial Relations*,^[7] they erroneously assume that the former labor tribunal is one of the inferior courts that formed part of the judicial department. They would pay no heed to this clear and categorical language of Justice Laurel as ponente: "It is more an administrative board than a part of the integrated judicial system of the nation. It is not intended to be a mere receptive organ of the Government. Unlike a court of justice which is essentially passive, acting only when its jurisdiction is invoked and deciding only cases that are presented to it by the parties litigant, the function of the Court of Industrial Relations, as will appear from perusal of its organic law, is more active, affirmative and dynamic."^[8] The words of Justice Laurel, authoritative then, continued to be so during all the years such an administrative body was in existence. There is an impressive line of decisions that attest.^[9] Such a ruling was foreshadowed in another early leading case, *Goseco v. Court of Industrial Relations*,^[10] again with Justice Laurel asponente, decided in 1939, a year earlier than *Ang Tibay*. In his comprehensive and analytical opinion, he called attention to various powers of such labor tribunal, indicative of its being an administrative body. It may be noted likewise that Chief Justice Concepcion, in *LVN Pictures, Inc. v. Philippine Musicians Guild*,^[11] made clear that a certification proceeding which was conducted by respondent Court "is not 'litigation' in the sense in which this term is commonly understood, but a mere investigation of a non-adversary, fact-finding character, ***"^[12] It is understandable then why in *Scoty's Department Store v. Micaller*,^[13] a 1956 decision, this Tribunal, through Justice Bautista Angelo, denied the power of respondent Court to impose a fine on the management men involved in an unfair labor practice under the view that at the most, it is "an administrative court." ^[14] Earlier, in *Philippine Education Co. v. Court of Industrial Relations*^[15] decided in 1952, there was this relevant excerpt from the opinion of Justice Padilla: "As heretofore stated, the payment of bonus is not from the legal point of view a contractual and enforceable obligation. But the petitioner is not sued before a court of justice. It is before the Court of Industrial Relations."^[16] In *Dimayuga vs. Court of Industrial Relations*,^[17] promulgated in 1957, reference was again made to this administrative agency as being a "quasi-judicial court."^[18] Thereafter, in another decision of the same year, *Philippine Marine Radio Officers Association v. Court of Industrial Relations*,^[19] it was specifically pointed out that its power includes the non-judicial competence of "conciliation and arbitration."^[20] Thus Justice J.B.L. Reyes, as late as 1965, in *Free Employees and Workers Association v. Court of Industrial Relations*,^[21] could affirm that his body "is only quasi-judicial in character, ***."^[22] Early this year, in *Savory Luncheonette v. Lakas ng Manggagawang Filipino*,^[23] Justice Muñoz Palma could correctly take note of "proceedings before tribunals with quasi-judicial powers such as the Court of Industrial Relations."^[24]

2. Petitioners ought to have displayed a greater awareness of the controlling doctrines. Then they would not have erroneously assumed that respondent tribunal was part of the integrated judicial system. As it is, the fabric of the case they tried so hard to build simply collapsed. There is just no basis for the conclusion that the designation in question was encroachment on our power to supervise inferior courts. Over an administrative agency, it is the President who is vested with authority. There is no constitutional bar to his issuing the aforesaid Letter of Instruction. The designation of the hearing commissioners as acting judges was in order.[25] The fact that it was not accomplished directly but exercised through the then Presiding Judge is of no moment. There is no merit to contention that the choice should be limited to judges of the court of first instance. That statutory restriction would apply only if it were the Secretary of Justice making the designation. It cannot diminish the prerogative that attaches to the Presidency as the office in which the Constitution vests the executive power. So it has been declared by Justice Laurel in the two leading cases of *Planas v. Gil*[26] and *Villena v. Secret Interior*. [27] There is no merit either to the assertion that to leave it to the then Presiding Judge Paredes to carry out clearly was the presidential determination as to who should be designated would be to run counter to the non-delegation principle. It would be the case only if another of the three main departments is involved.[28] With the respondent Court being itself an administrative body in the executive branch, what did transpire amounted to no more than a subordinate public official carrying out the wishes of his superior, in whom the totality of power of that branch of the government was granted. What is more, there is this further circumstance to consider. The Letter of Instruction was issued on June 3, 1974. As far back as May 1, it was already announced that the new Labor Code, which abolished the Court of Industrial Relations, was to take effect on November 1, 1974. It is quite understandable therefore why no permanent judges thereof were appointed. As constitutional questions do not take place in a vacuum but must be viewed in the light of environmental facts, it becomes even more understandable why the President chose that procedure. Only in the spirit of magnifying trifles could one cavil at the manner the acting judges were designated. The alleged constitutional infirmities would thus clearly appear to groundless.

3. The other legal issues raised by petitioners do not help their cause at all, except insofar as to the amount of back wages awarded. They contend that "the rule adopted by the Court of Industrial Relations fixing the period for filing a motion reconsideration of five (5) days" is void because it is unreasonable. So they would argue based on their reading misreading is the more appropriate term, of Justice Makasiar's opinion in *Philippine Blooming Mills Employees Organization v. Philippine Blooming Mills Co., Inc. and Court of Industrial Relations*. [29] Their counsel quoted an excerpt therefrom omitted the last two sentences in the pertinent paragraph. There was no fidelity then to the precise holding of the Court. For as was therein made clear: "The delay in the filing of the motion for reconsideration could have been only one day if September 28, 1969 was not a Sunday. This fact accentuates the unreasonableness of the Court of Industrial Relations rule insofar as circumstances of the instant case are concerned." [30] Justice Makasiar thereafter delineated with more particularity the limited application of his characterization to what transpired in this specific case. Thus: "Insistence on the application of the questioned Court of Industrial Relations rule in this particular case at bar would be an unreasoning adherence to 'procedural niceties,' which denies justice to the herein laborers, whose basic human freedoms, including the right to survive, must be recorded supremacy over the property rights of their employer firm, which has been given a full hearing on this case, especially when, as in the case at bar, no actual material damage has been demonstrated as having been inflicted on its property rights." [31] The next paragraph of the opinion, if studied with more care by counsel for petitioners and if their lens of analysis were not clouded by the mist of partisanship, ought to have cautioned them against advancing such an argument. As therein emphasized: "If we can disregard our own rules when justice requires it, obedience to the Constitution renders more imperative the suspension of a Court of Industrial Relations rule that clashes with the human right sanctioned and shielded with resolute concern by the specific guarantees outlined in the organic law. It should be stressed that the application in the instant case of Section 15 of the Court of Industrial Relations rules relied upon by herein respondent firm, is unreasonable and therefore

such application becomes unconstitutional as it subverts the human rights of petitioning labor union and workers in the light of the peculiar facts and circumstances revealed by the record."^[32] Both from the standpoint of the grounds for the decision in Philippine Blooming Mills as well as the precise significance of the broad language employed, it cannot be said then that there is any persuasive force to the approach pursued by counsel for petitioners. After all, the distinction between a rule not finding application in view of the relevant facts and its being declared void is supposed to be within the ken of members of the bar, let alone those who graduate from reputable law schools. As a matter of fact, in an en banc decision rendered a month later in July of 1973, Philippine Fiber Processing Co. v. Court of Industrial Relations,^[33] this tribunal, with Justice Castro as ponente, affirmed expressly the continued existence of this particular rule. "The threshold question," according to him, "is whether the filing by the petitioner of its motion for extension of time to file a motion for reconsideration tolled the running of the 5-day period within which, under the industrial court's rules, a motion for reconsideration should be filed."^[34] The answer: "In this Court's opinion, the said period was not tolled."^[35] There can be no denying then, as was held in Continental Manufacturing Employees Association v. Court of Industrial Relations,^[36] that this rule possesses and mandatory character.

Neither is there any merit to the claim that petitioners were denied due process. The nineteen-page, single-spaced decision of respondent Court,^[37] in which there is a detailed appraisal of the evidence submitted by both management and labor, belies the assertion that they were not accorded due hearing. At the most, the motion for reconsideration, which failed to comply with the rule in question, and was thus denied, amounted to no more than an insistence on the arguments previously submitted. It was decidedly argumentative. That was all. To contend then that a due process question arose is to ignore the realities of the litigation. The last issue raised refers to the amount of back wages awarded private respondents. It is their claim that it is excessive. Were it not for the decision hereinafter referred to, the point would hardly deserve any consideration. Petitioners, while invoking doctrines that would sustain their contention, in effect disregarded a fundamental precept in administrative law, that of the finality of the finding of facts of an administrative agency if supported by substantial evidence. It is their good fortune that they could rely, as was noted above, on the recent case of Feati University Faculty Club v. Feati University.^[38] It was there held that the back wages to which the aggrieved parties of an unfair labor practice are entitled should be limited to three years.

WHEREFORE, the decision of the Court of Industrial Relations of June 14, 1974 and the resolution of July 29, 1974 seeking its reconsideration, are hereby affirmed with the modification that the back wages to which petitioners Felixberto Paule, Maximo Luna, Jr., Irineo Cachero, Jr., Ruben Gatmaitan, Primitivo Laudit, Alfredo Luna, Dionisio Ababon, Jr., Diosdado Paule, Roberto Binongcal, Gerardo Caguin, Alfonso Deveza, Fortunato Tolentino, Rogelio Baltazar, Anatalio Barot, Lorenzo Barot, Jr., Felipe Teodorico, Romeo Penuelo, Lino Yosa, Domingo Tolentino, Rolando Penuelo, Ramon Penuelo and Rey Ramos are entitled, should be limited to three years from the time of their illegal dismissal. This decision is immediately executory. Costs against petitioners.

Castro, Actg. C.J., Barredo, Makasiar, Antonio, Muñoz Palma, Aquino, and Martin, JJ., concur.

Teehankee, J., took no part.

Makalintal, C.J., Esguerra, J. and Concepcion Jr., J., are official leave,

[1] Letter of Instruction No. 91, June 3, 1974. It is not to be ignored that the tenure was less than four months, the new Labor. Presidential Decree No. 442. which abolished the Court of Industrial Relations, being effective on November 1. 1974.

[2] Cf. Ang Tibay v. Court of Industrial Relations, 69 Phil. 635 (1940).

[3] Republic Act No. 875, the Industrial Peace Act, in Section 4(a)(1), provides: "(a) it shall be unfair labor practice for an employer; (1) To interfere with, restrain or coerce employees in the exercise of their rights guaranteed in section three; . . ."

[4] Section i of Common Health Act No. 103 as amended (1936).

[5] Article X, Section 5, par. 3 of the present Constitution.

[6] Petition, 11.

[7] 69 Phil. 635 (1940).

[8] Ibid., 639-640.

[9] Cf. Pambujan Sur United Mine Workers v. Samar Mining Co., 94 Phil. 932 (1954); Luzon Stevedoring Co. v. Luzon Marine Dept. Union, 101 Phil. 257 (1957); Gracilla v. Court of Industrial Relations, L-24489 Sept. 28, 1968, 25 SCRA 242; East Asiatic Co. v. Court of Industrial Relations, L-29068, Aug. 31, 1971, 40 SCRA 521; Philippine Charity Sweepstakes Employees Association v. Court of Industrial Relations, L-34688, Aug. 30, 1972, 46 SCRA 754; The Philippine American Management Co. v. The Philippine American Management Employees Asso., L-35254, Jan. 29, 1973, 49 SCRA 194; Savory Luncheonette v. Lakas ng Manggagawang Filipino, L-38964, Jan. 31, 1975, 62 SCRA 258. In the Luzon Marine Department opinion, reference was made to Metropolitan Transportation v. Paredes, 79 Phil. 819(1948) to the effect that the labor tribunal could be considered "a court of justice." So clarified though in the decision through Justice Hilado, the ponente, that was done for the purpose of determining who could be parties that may litigaic before it.

[10] 68 Phil. 444.

[11] 110 Phil. 725 (1961).

[12] Ibid., 728. The decision in Lakas ng Manggagawang Filipino v. Benguet Consolidated Inc., L-35075, Nov. 24, 1972, 48 SCRA 169, is the eighth case where such formulation was followed. Since then there are these additional cases: B.F. Goodrich Phil., Inc. v. B.F. Goodrich Confidential and Salaried Employees Union-NATU, L-34069, Feb. 28, 1973, 49 SCRA 532; Federation of Free Workers v. Paredes, L-36466, Nov. 26, 1973, 54 SCRA 75; Fedration of the United Workers Organization v. Court of Industrial Relations, 1,-37392, Dec. 19, 1973, 54 SCRA 305.

[13] 99 Phil. 762 (1956).

[14] Ibid., 769.

[15] 92 Phil. 381.

[16] Ibid., 386.

[17] 101 Phil. 590.

[18] Ibid., 596.

[19] 102 Phil. 373 (1957).

[20] Ibid., y 383.

[21] L-20862, July 30, 1965, 14 SCRA 781.

[22] Ibid., 785.

[23] L-38964, January 31, 1975, 62 SCRA 258.

[24] Ibid., 267.

[25] Cf. Tecson v. Solas, L-27524, July 31, 1970, 34 SCRA 275.

[26] 67 Phil. 62 (1939).

[27] 67 Phil. 451 (1939).

[28] Cf. People v. Vera, 65 Phil. 56 (1937).

[29] L-31195, June 5, 1973, 51 SCRA 189.

[30] Ibid.

[31] Ibid., 216.

[32] Ibid.

[33] L-29770, July 19, 1973, 52 SCRA 110.

[34] Ibid., 113.

[35] Ibid. The following cases were cited; Luzon Stevedoring Co. v. Court of Industrial Relations, L-1 6682, July 26, 1963, 8 SCRA 447; Manila Metal Caps and Tin Cans Manufacturing Co. v. Court of Industrial Relations, L-17578, July 31, 1963, 8 SCRA 552; Visayan Bicycle Manufacturing Co., Inc. v. National Labor Union, L-19997, May 19, 1975, 14 SCRA 5, King v. Joe, L-23617, Aug. 26, 1967, 20 SCRA 1117.

[36] L-26849, September 30, 1970, 35 SCRA 204. The opinion relied upon the following previous decisions: Pangasinan Employees Laborers and Tenants Association v. Martinez, 108 Phil. 89 (1960); Luzon Stevedoring v. Court of Industrial Relations, L-16682, July 26, 1963, 8 SCRA 447; Elizaideand Co. v. Court of Industrial Relations, L-21942, Sept. 23, 1968, 25 SCRA 58.

[37] Annex A to Petition.

[38] L-31503. August 15, 1974, 58 SCRA 395.

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