

**UNITED STATES LINES CO., PETITIONER, VS. ASSOCIATED
WATCHMEN AND SECURITY UNION (PTGWO), NARCISO LIM,
APOLINAR BERNARDO, ANIANO SINCANGCO, PAULINO
HINUYANES, VIVENCIO DIAMANTE,...**

G.R. No. L-25320. November 28, 1975

Ponente: MARTIN, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/ca7b94b8f9e9/>

MARTIN, J.:

Appeal from the order of the Court of Industrial Relations in Case No. 958-ULP, entitled "Associated Watchmen and Security Union (PTGWO), et al. versus United States Lines, et al.", setting aside its order of March 13, 1964 dismissing the case and granting the reopening thereof insofar as the computation of respondents' back wages is concerned.

On January 14, 1959, the Court of Industrial Relations (CIR)[1] rendered its decision in Case No. 958-ULP ordering the United States Lines Co. (herein referred to as petitioner) to reinstate eleven (11) watchmen (herein referred to as individual private respondents) to their former positions with back salaries from the date of their dismissal up to the time of their reinstatement.

In due season, petitioner appealed the decision to this Court[2] which affirmed the same on June 29, 1963. Thereafter, the records of the case were remanded to the CIR for satisfaction of judgment.

On August 8, 1963, petitioner manifested before the CIR that it had advised the private respondents to return to work immediately but not later than August 22, 1963. Upon motion by private respondents, the CIR ordered the court examiner to make a computation of their back wages. On November 16, 1963 the Court examiner finished the computation of the back wages of private respondents from the date of their respective dismissals up to August 22, 1963. Meanwhile, six (6) of the private respondents, namely, J. Daplas, A. Bernardo, J. Diamante, N. Lim, A. Sincangco and E. Paruda, reported for work while the remaining five (5) did not, despite the notices sent to them.

On December 9, 1963, the private respondents with the exception of E. Paruda and V. Diamante, filed a motion to approve the examiner's report stating that they have no objection to and are satisfied with it. However, two (2) private respondents, E. Paruda and V. Diamante, asked in the same motion that they be allowed to reserve their right to have their cases re-examined.

Petitioner opposed the motion to approve the examiner's report claiming that the private respondents had earnings elsewhere which should be deducted from their back wages. Negotiations for the settlement of their dispute regarding the computation of the back wages due the private respondents were started by the parties until a settlement was arrived at with the petitioner making the corresponding payments of the claim of the private respondents and the latter executing receipts and releases with the conformity of their counsel.

On March 5, 1964 petitioner filed a Summary of Satisfaction of Judgment alleging therein that the judgment has

been satisfied with respect to the payment of all back wages and reinstatement of the private respondents except the back wages of Quintin Robledo who signed a conditional release. Later, however, petitioner found that Quintin Robledo did not work elsewhere and so, he was paid additional back wages for which, he executed the corresponding receipt and release.

On March 10, 1964, the private respondents assisted by their counsel, filed a motion to dismiss the case for satisfaction of judgment alleging that their claims (11 watchmen) have been paid and that all of them have been admitted to work with the exception of the three who have resigned. Acting on the said motion, the CIR issued an order on March 13, 1964 dismissing the case.

On March 14, 1964, petitioner filed its Report on Final Satisfaction of Judgment. However, on May 27, 1965, or one year and two months after the dismissal of the case, the private respondents thru a new counsel, filed with the CIR, a Motion for Complete Satisfaction of Judgment, praying that the order of March 13, 1964 be set aside and the back wages of the private respondents be computed anew. They claim that the previous computation of their back wages was only up to August 22, 1963, the day when they were actually admitted to work and that the same did not include premium pay for Sunday or holiday work, or night premium or differential pay.

On September 6, 1965, the CIR issued the now questioned order, the dispositive portion of which reads:

"FOREGOING PREMISES CONSIDERED, movants' motion for setting aside the order of March 13, 1964, and the reopening of the same insofar as the computation of complainants' back wages is concerned should be, as it is hereby GRANTED, but should be, as it is hereby DENIED with respect to the complainants' new claim for overtime pay, night premium or differential pay and Sunday and holiday pay. Consequently, the Clerk of Court is hereby directed to set this case for further hearing."

From said order, petitioner has come to this Court pressing upon the lower court the following errors:

I

"IN SETTING ASIDE THE ORDER OF THE SAME COURT DATED MARCH 13, 1964 AND REOPENING THE CASE FOR THE COMPUTATION OF RESPONDENT WATCHMEN'S BACK WAGES.

II

"IN NOT HOLDING THAT THE DECISION DATED JANUARY 14, 1959 HAS ALREADY BEEN FULLY SATISFIED BY THE PETITIONER.

III

"IN NOT HOLDING THAT THE COMPLAINANTS ARE ESTOPPED FROM CLAIMING THAT THE DECISION DATED JANUARY 14, 1959 HAS NOT YET BEEN SATISFIED."

The crux of the problem in this appeal is whether the CIR can still reopen Case No. 958-ULP after having dismissed it. The solution to the problem will depend on whether the order of January 14, 1959 directing the petitioner to reinstate the private respondents was still effective at the time the latter filed their Motion for Complete Satisfaction of Judgment on May 27, 1965. Section 17 of Commonwealth Act 103 provides:

"Sec. 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 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."

Two kinds of award, order or decision are contemplated in the foregoing provision. The first is that which provides for a specified period within which the award, order or decision shall be valid and effective. The second is one without any specified period for its effectiveness in which case the award, order or decision shall remain valid and effective for three years from the date thereof. After the lapse of the three years, the award, order or decision may be terminated by any party to the controversy by giving notice to the Court. A careful examination of the decision of the CIR dated January 14, 1959 shows that no period for its effectiveness is specified; hence, it can be considered valid and effective for three years from the date it was rendered — on January 14, 1959, should no appeal from said decision have been taken to the Supreme Court. However, in the case before Us, the decision was appealed to the Supreme Court, therefore the three year period of effectiveness of said decision should have been counted from its affirmance by the Supreme Court on June 29, 1963. When the private respondents therefore filed on May 27, 1965 their Motion for Complete Satisfaction of Judgment praying that the order of March 13, 1964 be set aside and the back wages of the private respondents be computed anew, they still had the time to do so, because the aforesaid decision of the CIR was still effective within the three-year period from the time it was affirmed by the Supreme Court on June 29, 1963. In the exercise of its discretion the CIR could still set aside its previous award, order or decision because the three-year period has not yet expired.[3]

Unfortunately, the ground relied upon by the private respondents in their Motion for Complete Satisfaction of Judgment, which is the alleged incorrect computation of their back wages made by the Court examiner, was one that already existed and was available to the private respondents at the time they filed their motion to dismiss the case for satisfaction of judgment. They should have raised the same before the lower court. In *Philippine Land-Air-Sea Labor Union (PLASLU) vs. Cebu Portland Cement Co.*,[4] this Court prescribed the conditions for reopening final award of the Labor Court under Section 17 of Commonwealth Act No. 103. They are: (1) it must be upon grounds not already directly or impliedly litigated and the grounds must not be available to the parties in the previous proceedings and (2) the reopening must not affect the period already elapsed at the time the order to reopen was issued. At this stage, it would be too late for them to reopen the case upon grounds which had been directly or impliedly litigated and decided by said court or upon grounds available to the parties at the former proceeding but not availed of by any of them. In *Pepsi-Cola, etc. vs. Phil. Labor Organization*,[5] this Court stated:

"Petitioner invokes Section 17 of Commonwealth Act 103 to the effect " x x x 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." Under this provision, a proceeding may be reopened only upon grounds coming into existence after the order or decision was rendered by the Court of Industrial Relations, but not upon grounds which had already been directly or impliedly litigated and decided by said court nor upon grounds available to the parties at the former proceedings and not availed of by any of them. To hold otherwise may give way to vicious and vexatious repetition of proceedings."

The foregoing ruling was reiterated in *Nahag, et al. vs. Roldan, et al.*,[6] when the Court said:

"While Section 17 of Commonwealth Act No. 103, as amended, apparently authorizes the modification of an award at any time during its effectiveness, there is nothing in its wording to suggest that such modification may be authorized even after the order for the execution of the award has already become final with respect of course, to the period that had elapsed at the time the order was issued. To read such authority into the law would make of litigations between capital and labor an endless affair."[7]

Considering all the foregoing, We find that the CIR has acted without or in excess of its jurisdiction in issuing its

orders dated September 6, 1965 and October 20, 1965 insofar as the same has set aside its order of March 13, 1964 and reopened Case No. 958-ULP for the recomputation of private respondents' back wages.

WHEREFORE, judgment is hereby rendered setting aside the orders of the CIR dated September 6, 1965 and October 20, 1965 for being null and void. No pronouncement as to costs.

SO ORDERED.

Teehankee, Makasiar, Esguerra and Muñoz Palma, JJ., concur.

Castro, J., is on leave.

[1] Abolished by Article 288 of Republic Act No. 442, as amended by Presidential Decrees Nos. 570-A, 626 and 643.

[2] Docketed as Case No. L-15508.

[3] Connel Bros. Co. vs. National Labor Union, L-3631, June 30, 1956; Hotel & Restaurant Free Workers vs. Kim San Cafe Restaurant, et al., 102 Phil. 470; Apo Workers Union, et al. vs. Castillo, et al., L-7480, Oct. 31, 1955.

[4] 14 SCRA 424.

[5] 88 Phil. 147; La Campana Food Products, Inc. vs. CIR, L-27907, May 22, 1969, 28 SCRA 314.

[6] 94 Phil. 87.

[7] The same ruling was adopted in the Rattan Art. etc. vs. Union, L-6466, May 21, 1954.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.