

[WITH RESOLUTIONS OF APRIL 30, 1963 AND MAY 31, 1963]

G.R. No. L-18270. November 28, 1962

Ponente: DIZON, J.

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DIZON, J.:

Appeal by certiorari taken by Baa Pablo Oil Factory, Inc. and Werner P. Schetelig from the resolution of the Court of Industrial Relations in Case No. 1350-ULP entitled "Kapatirang Manggagawa Association (NLU) vs. San. Pablo Oil Factory, Inc., and Werner P. Schetelig" of the following tenor:

"Wherefore, the motion addressed to the Court en banc, dated July 6, 1959 should be, as it is hereby granted; and the resolution of the Court en banc dated October 29, 1958 is hereby modified to the effect that the workers involved are hereby awarded back wages corresponding to the period of tiieir unemployment as a result of the discriminatory lockout committed by the respondents."

Respondent Kapatirang Manggagawa Association—hereinafter referred to as to Union—is a legitimate labor organization affiliated with the National Labor Union. Most of its members work for the San Pablo Oil Factory, Inc.—referred to hereinafter as the Company—a duly organized domestic corporation, whose president and general manager is Werner P. Schetelig.

On February 25, 1957, the Union, thru its president, presented to the Company a petition for the renewal of the collective bargaining agreement entered into by and between them on July 6, 1955. The petition contained twelve new demands.

Inspite of a series of negotiations and conferences in the course of which proposals and counter-proposals were submitted and discussed, the parties were unable to reach any agreement. Consequently, the Union filed a notice of strike with the Department of Labor on April 22, 1957, effective May 22, 1957. Three days later, the Company, thru its president, likewise filed a notice of lockout with the Department of Labor to be effective on May 27, 1957. These notices notwithstanding negotiations between the parties went on until the afternoon of May 27, 1957 when, upon closing of working hours, the Company declared a lockout against the members of the Union, of which the latter was notified.

After the lockout, the negotiations continued, and in the course of one of the conferences between the parties, the workers offered to return to work but without signing a new contract—unless their additional demands were granted. The Company insisted, however, as a condition precedent to their returning to work, that they sign a new contract embracing no more than the provisions of the old contract.

On July 26, 1957, the Union filed a complaint with the Court of Industrial Relations (Case No. 1350-ULP) charging the Company with unfair labor practice under Section 5 (b) of Republic Act No. 875 and praying that its members be allowed to return to work and be paid their back wages from the time they were locked out to the time thev will be allowed to resume their jobs.

The Company's answer alleged that the lockout was legal, having been declared in accordance with the provisions

of the Industrial Peace Act, and that it was the members of the Union who refused to work under the terms of employment offered to them.

On September 8, 1957, the parties having agreed upon mutually acceptable terms of employment, signed a new collective bargaining agreement. This notwithstanding the case for unfair Labor Practice (Case No. 1350-ULP) was continued, but after due trial thereof, the Court of Industrial Relations, on March 21, 1958, issued an order dismissing the case. Respondent filed a motion for reconsideration of the abovementioned order and on October 29, 1958, the Court en banc issued a resolution, the dispositive portion of which reads as follows:

"Wherefore, let the order of the Trial Court, dated, March 21, 1958, be as it is hereby, reversed and respondents should be, as they are hereby held, guilty of unfair labor practice as charged in the complaint."

An appeal was taken by the Company from the above-mentioned resolution, but we dismissed it for lack of merit.

More than eight months afterwards, that is, on July 6, 1959, the Union filed a motion with the Court of Industrial Relations praying that, in view of its resolution finding the Company guilty of unfair labor practice, back wages be awarded to the workers during the period of the lockout.

After a hearing on the motion, on March 15, 1961, the Court of Industrial Relations issued the resolution subject matter of the present appeal,

The question decisive of this appeal is whether or not under the provisions of Section 17, Commonwealth Act 103, as amended, in conjunction with Section 15, Republic Act 875, the respondent court had authority to issue the resolution of March 15, 1961, awarding back wages to the employees of the Union corresponding to the period of the lockout, thus substantially modifying its resolution of October 29, 1958 finding the Company guilty of the charge of unfair labor practice but without making any award of back wages.

It may be admitted in this connection that under the provisions of Section 15, Republic Act 875, upon a finding of an illegal lockout, the employees or workers are entitled to back wages corresponding to the period of the lockout. The relief or award, however, can not be presumed but must be expressly made in the decision of the Court of Industrial Relations. This was not done in the present case.

It is, however, contended that under, the provisions of Section 17, Commonwealth Act 103, the Court of Industrial Relations may, at any time during the effectiveness of an award, order or decision, and 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. However broad and ample this grant of authority may seem, we do not believe that it grants the Court of Industrial Relations authority to reopen issues already passed upon, and to substantially alter its decision after the same has become final and executory. In this case, upon notice of the resolution finding the Company guilty of unfair labor practice but without making any award of back wages in favor of the workers, the latter or the respondent Union could have first moved for a reconsideration in that respect, and if said motion failed, they could have appealed. The record discloses that neither step was taken to correct the error, for error it was for the Court not to grant the back wages after finding the Company guilty of unfair labor practice.

In the case of *Pepsi Cola, etc. vs. Philippine Labor Organization*, 88 Phil., 147, we held that under the provisions of Section 17 of Commonwealth Act 103, 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, and that to hold otherwise may give way to vicious and vexatious proceedings.

The above ruling was reiterated in *Nahag, et al. vs. Roldan, et al.* 94 Phil., 87, and 94 Phil., 88; 50 Off. Gaz. [10] 4769 *Kaisahan ng Manggagawa sa Kahoy vs. Chuan*, in the following language:

"While Section 17 of C.A. 103, apparently authorizes the Court of Industrial Relations to modify an award at any time during its effectiveness, it cannot be construed as broad enough to authorize modification after an order for execution of the award has already become final with respect to the period elapsed at time the order was issued."

To the same effect was the ruling laid down in *Rattan Art etc. vs. Union*, G. R. No. L-6466, May 21, 1954.

The decision in *Luzon Brokerage, etc. vs. Luzon Labor Union*, 88 Phil., 801; 46 Off. Gaz. [11]252, is not applicable to the present. In said case, the Court of Industrial Relations ordered the reinstatement of a suspended driver, with back pay from the date of suspension until actual reinstatement, but the decision was silent on the latter's wages and number of working days weekly before his suspension. After a hearing was held on a motion for execution, during which evidence was presented, the Court issued a new order determining the daily wages of the driver concerned as well as the number of his working hours weekly. It was held that the Court did not act without or in excess of its jurisdiction in doing so, for the reason that the original decision had awarded back wages already. What was done subsequently was merely an implementation of said award, and this was within the power of the Court to do under Sections 17 and 18 of Commonwealth Act 103.

In the present case, when the Court of Industrial Relations decided the case on the merits and found the Company guilty of unfair labor practice, it made no award of back wages. The workers or the Union aggrieved by such failure should have appealed, but instead they allowed said decision to become final and executory. Consequently, there was no award of back wages which could be implemented by subsequent order or resolution.

Wherefore, the resolution appealed from is reversed, without costs.

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

RESOLUTION

April 30, 1963

DIZON, J.:

Petitioners appealed by certiorari from the resolution of the respondent court en banc, Judge Tabigne dissenting, granting the motion filed by the herein respondent, *Kapatirang Manggagawa Association (NLU)* dated July 6, 1959, and, as a result, amending its resolution of October 29, 1958 by granting back wages to the workers involved in the case corresponding to the period of their unemployment due to the discriminatory lockout declared by their employer.

Our decision promulgated on November 28, 1962 reversed the appealed resolution because, upon the facts then clearly disclosed by the record, we held that when the same was issued, the resolution of the court of October 29, 1958, holding herein petitioners guilty of unfair labor practice, but without making any pronouncement as to back wages, had already become final and executory and that said court had therefore no authority in law to amend the same in any substantial respect.

For a better understanding of the case, we reproduce here the following portions of the original decision:

"On February 25, 1957, the Union, thru its president, presented to the Company a petition for the renewal of

the collective bargaining agreement entered into by and between them on July 6, 1955. The petition contained twelve new demands.

"In spite of a series of negotiations and conferences in the course of which proposals and counter-proposals were submitted and discussed, the parties were unable to reach any agreement. Consequently, the Union filed a notice of strike with the Department of Labor on April 22, 1957, effective May 22, 1957. Three days later, the Company, thru its president, likewise filed a notice of lockout with the Department of Labor to be effective on May 27, 1957. These notices notwithstanding negotiations between the parties went on until the afternoon of May 27, 1957 when, upon closing of working hours, the Company declared a lockout against the members of the Union, of which the latter was notified.

"After the lockout, the negotiations continued, and in the course of one of the conferences between the parties, the workers offered to return to work but without signing a new contract—unless their additional demands were granted. The Company insisted, however, as a condition precedent to their returning to work, that they sign a new contract embracing no more than the provisions of the old contract.

"On July 26, 1957, the Union filed a complaint with the Court of Industrial Relations (Case No. 1350-ULP) charging the Company with unfair labor practice under Section 5 (b) of Republic Act No. 875 and praying that its members be allowed to return to work and be paid their back wages from the time they were locked out to the time they will be allowed to resume their jobs.

"The Company's, answer alleged that the lockout was legal, having been declared in accordance with the provisions of the Industrial Peace Act, and that it was the members of the union who refused to work under the terms of employment offered to them.

"On September 8, 1957, the parties having agreed upon mutually Acceptable terms of employment, signed a new collective bargaining agreement. This notwithstanding the case for unfair Labor Practice (Case No. 1350-ULP) was continued, but after due trial thereof, the Court of Industrial Relations, on March 21, 1958, issued an order dismissing the case. Respondent filed a motion for reconsideration of the abovementioned order, and on October 29, 1958, the Court en banc issued a resolution, the dispositive portion of which reads as follows:

'WHEREFORE, let the order of the Trial Court, dated March 21, 1958, be, as it is hereby, reversed and respondents should be, as they are hereby held, guilty of unfair labor practice as charged in the complaint.'

"An appeal was taken by the Company from the above-mentioned resolution, but we dismissed it for lack of merit.

"More than eight months afterwards, that is, on July 6, 1959, the Union filed a motion with the Court of Industrial Relations praying that, in view of its resolution finding the Company guilty of unfair labor practice, back wages be awarded to the workers during the period of the lockout.

"After a hearing on the motion, on March 15, 1961, the Court of Industrial Relations issued the resolution subject matter of the present appeal."

There is, therefore, no question that on March 21, 1958, after appropriate proceedings, the complaint for unfair labor practice against herein petitioners was dismissed by Judge Tabigne, but that the court en banc, by its resolution of October 29, 1958, reversed the order of dismissal and held petitioners guilty of unfair labor practice; that on July 6, 1959—more than eight (8) months after the date of the resolution just mentioned, the Union filed a motion with the court praying that, in view of the finding of unfair labor practice against petitioners, back wages be awarded to the laborers involved in the case, corresponding to the duration of the lockout.

In the original decision we held, as already stated, that the motion for back wages was filed out of time and, as a

result, we reversed the appealed resolution. But the Union claims in its motion for reconsideration that although the resolution appealed from was dated October 29, 1958, it was only on July 1, 1959 that the parties received due notice thereof, and that such being the case, its motion for back wages filed on July 6, 1959, or only five (5) days after notice, was filed before the resolution of October 29, 1958 could become executory. Petitioners expressly admit in their opposition to the motion for reconsideration that the Union—in fact, even they—were served with notice of the resolution of October 29, 1958 only on July 1, 1959. In the face of these facts that now clearly appear on record, the conclusion becomes inescapable that the motion for back wages filed on July 6, 1959 was timely filed. Consequently, at the time of its filing, the respondent court still had control and jurisdiction over its resolution of October 29, 1958 finding herein petitioners guilty of unfair labor practice.

But petitioners herein claim that the motion for back wages of July 6, 1959 was not a motion for a reconsideration of the resolution of October 29, 1959. We find no merit in this contention. The aforesaid resolution was obviously incomplete because the court, having found the Company guilty of unfair labor practice, should have made an award of back wages in favor of the laborers who were the victims of the lockout (Section 15, Act No. 875). In view of this, the Union filed its motion for back wages which, in legal effect, was one to reconsider, to amend or complete the original resolution.

In view of all the foregoing, our decision promulgated on November 28, 1962 is hereby amended, by affirming, as we hereby affirmed, the resolution of the respondent Court subject of this appeal.

Bengzon, C. J., Bautista Angelo, Labrador, Concepcion, Barrera, Paredes, and Makalintal, JJ., concur.

RESOLUTION

May 31, 1963

DIZON, J.:

It appears that counsel for petitioners were served with notice of our resolution of April 30, 1963, on May 10 of the present year. On the 22nd of the same month, Attys. Ozaeta, Gibbs & Ozaeta made of record their appearance as counsel for petitioner company, as well as for James McKeen, the special administrator of the estate of petitioner Werner P. Schetelig, whose death they made of record.

We have now before us (1) a motion filed by said attorneys on behalf of the aforementioned special administrator, praying for the dismissal of this case in so far as the deceased Werner P. Schetelig and/or his estate is concerned, or that the estate of said deceased be granted a period of at least twenty (20) days from notice within which to file a motion for reconsideration or take other legal remedies proper and available to the estate, and (2) another motion of the same attorneys praying that petitioner company be granted an extension of twenty (20) days from May 25, 1963 within which to file a motion for reconsideration or take other action proper and available in the premises.

The motion for the dismissal of the case as far as it concerns the now deceased petitioner Werner P. Schetelig is denied for lack of merit.

On the other hand, the motions mentioned above being meritorious as far as the extension prayed for is concerned, said petitioners are hereby granted a period of twenty (20) days from notice hereof within which to file a motion for reconsideration of our resolution of April 30, 1963 or to seek whatever legal remedy may to them seem proper.

Bengzon, C. J., Padilla, Paredes, Regala, and Makalintal, JJ., concur.

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