

EMILIA DE VERA VDA. DE HALILI, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS AND HALI-LI BUS DRIVERS & CONDUCTORS UNION?PTGWO, RESPONDENTS.

G.R. No. L-27773. December 28, 1970

Ponente: BARREDO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/d24dd195e3e0/>

BARREDO, J.:

Petition for review on appeal by certiorari of the order, dated April 27, 1967, entered by the Court of Industrial Relations in its Case No. 1099-V, and of said court's en banc resolution, dated May 25, 1967, denying reconsideration of the order aforesaid.

This is not the first time that an incident in the above-mentioned Case No. 1099-V of the CIR has reached this Court. G.R. No. L-24864, entitled "Fortunato F. Halili etc., petitioner, vs. Court of Industrial Relations & Halili Bus Drivers & Conductors Union (PTGWO), Respondents", was also an appeal by certiorari from a 1955 resolution of the court a quo in the same case. In fact, the initial background of the present petition constitutes also that of the previous one. It is set forth in the decision which this Court rendered therein on February 26, 1968 (22 SCRA 785) as follows:

"On November 30, 1957, Fortunato F. Halili, doing business under the name and style of 'Halili Transit', and the Halili Bus Drivers and Conductors Union (PTGWO) entered into a three-year Collective Bargaining Agreement (Annex A to the petition for certiorari; Rollo, p. 30) by virtue of which the former recognized the latter as exclusive bargaining agent of the drivers and conductors employed by Halili, and according to which they both agreed to abide by the schedule of the hourly regular and overtime rates of drivers and conductors set forth in Annex 'B' of the Agreement.

"On August 20, 1958, the union filed with the Court of Industrial Relations a petition docketed as Case No. 1099-V, which it subsequently amended on December 9, 1958, charging violation by Halili of Commonwealth Act No. 444 (the Eight-Hour Labor Law) in that he deducted from, and did not include in, the hours of work of the drivers and conductors the time consumed for filling gas or for taking the bus from the 'carbarn' and vice-versa, the time for trip intervals when the bus is waiting for passengers, and the time consumed on minor repairs of the engine and other parts of the bus. It therefore prayed the court to fix the compensable hours of work of the drivers and conductors, members of said union, according to the provisions of Commonwealth Act No. 444, and to order Halili to pay the drivers and conductors the compensable hours of work previously rendered by them from October 1, 1956 up to the filing of the petition.

"Halili filed his amended answer on December 22, 1958.

"After trial, the Court of Industrial Relations on August 7, 1961 rendered a decision (Rollo, p. 51) finding Halili guilty of having violated Commonwealth Act No. 444. It thereupon required the Examining Division of the Court of Industrial Relations to compute the compensable hours of work rendered by the drivers and conductors who were members of the union, from October 1, 1956 (This, instead of November 30, 1957 which was the date of the Collective Bargaining Agreement, is the starting date of computation because in his

answer to the complaint against him by the union before the Public Service Commission in Case No. 48603-C, Halili averred 'that effective last Monday, October 1, 1956, all drivers and conductors of the respondent are on fixed salary basis, that is to say, conductors are paid at the rate of P0.50 an hour and drivers are paid at the rate of P0.60 an hour, thereby making their wages in conformity with the order of this Honorable Commission and with Republic Act 602, known as the Minimum Wage Law.' [Rollo, pp. 53-54; italics supplied] until the date of the decision, at the rate of P0.60 for drivers and P0.50 for conductors per hour, and the management of Halili Transit to facilitate the examination by giving access to the Court examiner of all trip reports, time records, time books, payrolls, vouchers, ledgers, journals and all other pertinent records for the speedy computation of the compensable hours of work.

"On August 14, 1961, Halili filed a motion for clarification and for reception of additional evidence, wherein he questioned the decision for not defining the compensable hours therein which may be credited to the drivers and conductors, claiming that in said order the court did not direct the Examining Division to determine the amount of compensation actually received by the particular employees on any particular day, and contending further that the decision was not a judgment, because it did not determine any right or duty.

"The Court of Industrial Relations, on August 17, 1961, issued an order wherein it clarified compensable hours as referring to work rendered over eight hours and the computation based on the trip report per hourly rate at P0.60 for drivers and P0.50 for conductors from October 1, 1956 until the date of the order. It further stated that the complainants were working more than eight hours since they start from 5:30 A.M. and stop at night, and declared that the judgment as to the liability of Halili was categorically concluded in the decision but the amount of said liability could not be determined until after the Court Examiner renders his report.

"Acting on Halili's motion for reconsideration, the Court of Industrial Relations on April 6, 1962 entered a resolution (Rollo, p. 58) en banc affirming the decision of August 7, 1961, but remanding the case to the Court of Industrial Relations trial Judge for determination as to union membership of the claimants referred to in the decision because: 'The determination of who are members of the petitioner union, especially that the decision would cover a period, from October 1, 1956, is a judicial determination which entails the use of discretion and can not be left to the determination by the Court Examiner, upon the expediency of the examination of the books, records, payrolls, etc.'

"No judicial determination of the membership of the union was however made. Neither did Halili appeal from the decision nor from the clarificatory resolution of the same dated August 17, 1961. The resolution en banc on motion for reconsideration dated April 6, 1962 was not appealed by Halili.

"On April 7, 1965, the Court of Industrial Relations issued an order (Rollo, p. 70.) directing the Court Examiner, assisted by a union representative, to investigate and examine all trip reports, time records, time books, payrolls, vouchers, ledgers, journals, and all other pertinent records of Halili Transit, and compute the compensable hours of work rendered by the drivers and conductors pursuant to the decision, dated August 7, 1961, for the period from January 1, 1961 up to the date of the order.

"On April 14, 1965, Halili moved for a reconsideration of the aforementioned order, and on April 24, 1965, filed his memorandum in support thereof - on the ground that the same is contrary to law, the facts and evidence. This motion was denied by the Court of Industrial Relations in its resolution en banc (Rollo, p. 83.) dated July 12, 1965."

It was from said order of April 7, 1965 and en banc resolution of July 12, 1965 that Halili brought the first appeal by certiorari in G. R. No. L-24864, putting in issue: (1) Whether or not the trial court erred in holding him liable for the payment under Commonwealth Act No. 444 of the compensable hours of work rendered by the drivers and conductors who are members of respondent union; (2) Whether or not the decision dated August 7, 1961 is incomplete and interlocutory and therefore the respondent court erred in enforcing it by entering its order dated April 7, 1965 and promulgating its resolution en banc dated July 12, 1965; and (3) Whether or not the

respondent court erred in directing its Examiner to examine and investigate the records of petitioner Halili from January 1, 1961 up to the present. Upon the facts set out above, this Court rendered the following judgment:

"WHEREFORE, the appealed order and resolution en banc are hereby affirmed and the Court of Industrial Relations is hereby enjoined to make a judicial determination of the union membership of the claimants, while the Examining Division of said court shall proceed with its computation of the compensable hours of work rendered by, and the corresponding compensation payable to, the drivers and conductors admitted by both parties to be union members since October 1, 1956 and those contended by the union to be such-members but disputed by the employer. No costs. So ordered."

It appears that while this appeal in G.R. No. L-24864 was still pending resolution in this Court, and while, on the other hand, proceedings were being had in Case No. 1099-V before the Court of Industrial Relations for the purpose of determining the membership of the herein respondent union as of October 1, 1956 - pursuant to the order of the CIR dated January 3, 1966 - because this Court had denied herein petitioner's prayer for the issuance of a restraining order, Fortunato F. Halili died on December 29, 1966. Accordingly, notice of such death was given to herein private respondents who, on January 13, 1967, filed a motion in the CIR praying that the legal representative of the deceased Fortunato F. Halili be ordered to appear to be substituted for him, or the appointment of a legal representative be procured should none appear, or, the heirs of the deceased be substituted for him. That motion was opposed by herein petitioner who, thru counsel, alleged that after the death of Halili a petition for letters of administration had been filed before the Court of First Instance of Rizal in its Spec. Proc. No. Q-10852; that herein petitioner was duly appointed as special administrator in said proceeding; and, that Case No. 1099-V of the respondent CIR, being a money claim against the deceased Fortunato F. Halili, should be dismissed and thereafter prosecuted in the manner especially provided in the Rules of Court. The CIR resolved that incident on March 8, 1967, by ordering herein petitioner to appear before it within 30 days from receipt of the corresponding order and to be substituted for the deceased. Petitioner herein did not comply with the said order; but counsel for the deceased Fortunato F. Halili, on April 24, 1967, filed a manifestation informing the CIR that herein petitioner Emilia de Vera Vda. de Halili had been appointed regular administratrix of the intestate estate of Fortunato F. Halili in Special Proceedings No. Q-10852 of the CFI of Rizal, whereupon the CIR, taking such manifestation as a substantial compliance with its order of March 8, 1967, entered an order dated April 27, 1967, appointing herein petitioner Vda. de Halili as the legal representative of, and ordering her substituted for, the deceased Fortunato F. Halili. In the same order, the court a quo directed a CIR commissioner to continue the reception of the evidence of the parties on the question of the herein respondent union's membership as of October 1, 1956.

On May 8, 1967, certain attorneys entered a special appearance for herein petitioner Emilia de Vera Vda. de Halili, in her capacity both as administratrix of the intestate estate, and as heir, of Fortunato F. Halili "for the purpose only of the matter of her being required to substitute for her deceased husband." At the same time, she filed a motion seeking reconsideration of the above-mentioned order of April 27, 1967, which motion, however, was denied by the CIR in its en banc resolution dated May 25, 1967. Hence, the present petition for review on appeal by certiorari from the last mentioned order and en banc resolution.

In her brief, petitioner makes the following assignment of errors:

"I

"THAT RESPONDENT COURT ERRED AND COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION (1) IN APPOINTING PETITIONER, IN HER CAPACITY AS THE ADMINISTRATRIX OF THE INTESTATE ESTATE OF DECEASED FORTUNATO F. HALILI, THE LEGAL REPRESENTATIVE OF SAID DECEASED IN CASE NO. 1099-V; (2) IN ORDERING HER,

IN THE SAME CAPACITY, SUBSTITUTED FOR THE SAME DECEASED IN THE SAME CASE; AND (3) IN DIRECTING ITS HEARING EXAMINER TO CONTINUE RECEIVING THE EVIDENCE OF THE PARTIES IN CASE NO. 1099-V AND TO SUBMIT HIS REPORT IMMEDIATELY THEREAFTER, INSTEAD OF HOLDING THAT THE ACTION OF RESPONDENT UNION AGAINST DECEASED FORTUNATO F. HALILI INVOLVES ONE WHO DOES NOT SURVIVE AND THEREFORE OUGHT TO BE DISMISSED AND PROSECUTED IN ACCORDANCE WITH SECTION 21, RULE 3 IN RELATION TO RULES 86 OF THE REVISED RULES OF COURT.

"II.

"THAT RESPONDENT COURT ERRED IN ACTING FURTHER IN CASE NO. 1199-V FOR LACK OF JURISDICTION OVER THE SUBJECT-MATTER OF THE CASE AND THE NULLITY OF ALL PROCEEDINGS HAD IN THE CASE."

It is obvious that it is the second assignment of error concerning the jurisdiction of the respondent Court of Industrial Relations that raises the more substantial issue, even if We find, as will be explained later, that petitioner may not be very serious in raising the same. Petitioner takes the position that cases involving claims for overtime compensation should in all its aspects be within the jurisdiction of regular courts, to the exclusion of the CIR. She contends that respondent CIR had no, as it never could have acquired jurisdiction over the subject-matter of Case No. 1099-V; consequently, all the proceedings had in said case, including the judgment, the order of April 27, 1967, and the en banc resolution of May 25, 1967, are entire, nullities which cannot be the source of any right or obligation.

Petitioner's position is untenable. In *Casino Español de Manila vs. CIR*, G.R. No. L-18159, December 17, 1966, this Court already said definitely), "it is already a settled matter which need not be further discussed x x x that the Court of Industrial Relations has jurisdiction, among others, over cases involving hours of employment under the Eight-Hour Labor Law and claims arising thereunder by an employee or an ex-employee seeking reinstatement." We emphasized this again in *Rheem of the Phil., Inc., et al vs. Ferrer, et al.*, G.R. No. L-22979, January 27, 1967, 19 SCRA 130, 134 wherein We said, "[A]fter the passage of Republic Act 875, this Court has (always) x x x upheld the industrial court's assumption of jurisdiction over cases for salary differentials and overtime pay."

There can be no disagreement here that what the members of the respondent union claim is the payment of over-time wages for work rendered by them during the hours deducted by the predecessor of herein petitioner from their daily compensable working time in the company's payrolls, in violation of the Eight-Hour Labor Law. As a matter of fact, this Court stressed the nature of the basic issue between the parties herein in that earlier case, G. R. No. L-24864, thus:

"The matter in issue in the main case below (Case No. 1099-V) is whether or not petitioner Halili is guilty of violating the Eight-Hour Labor Law (C.A. No. 444) in that he deducted from the working hours of the drivers and conductors, members of respondent union, the time spent for taking the buses from the car barn and filling it with gas, oil or water; the interval for waiting for passengers; and the repair of the engine and other parts of the bus in case of breakdown. The trial court found him guilty of the charge and held him 'liable categorically' for the compensable hours and overtime pay from October 1, 1956 up to the present at the rate of P0.60 for drivers and P0.50 for conductors per hour. This finding of the trial court in its decision of August 7, 1961, as clarified in its order of August 17, 1961 and affirmed in all respects - except the 'x x x de-termination as to the union membership of the claimants referred to in the decision x x x' - by the court en banc in its resolution of April 6, 1962, is a finding of fact which is final and conclusive and not subject to review, no appeal having been interposed therein."

Petitioner's reliance on Our decision in the earlier unreported case of *Mindanao Bus Employees Labor Union*

(PLUM) vs. The Mindanao Bus Co. and the CIR,[1] is unavailing. As already pointed out above, this Court has consistently held otherwise in all subsequent cases involving the same issue, hence Mindanao Bus should be deemed to have been abandoned even as early as in *Red V Coconut Products, Ltd. vs. CIR, et al.*, G. R. No. L-21348 decided June 30, 1966, if not earlier, at least impliedly, in the cases decided previous thereto by this Court.[2] Withal, why petitioner did not raise this issue in G. R. No. L-24864 wherein it was an appropriate one would seem incomprehensible, if there were seriousness in bringing it up here now. When We decided G. R. No. L-24864 in 1968 or even when it came up here in 1965-1966, Mindanao Bus was no longer the rule and it can be presumed petitioner's counsel then was acquainted with such development in labor law.

Petitioner's first assignment of error, on the other hand, revolves around the applicability or inapplicability to the situation here presented of the following provisions of the Rules of Court:

"Sec. 17 (Rule 3). Death of party. - After a party dies and the claim is not thereby extinguished, the court shall order, upon proper notice, the legal representative of the deceased to appear and to be substituted for the deceased, within a period of thirty (30) days, or within such time as may be granted. If the legal representative fails to appear within said time, the court may order the opposing party to procure the appointment of a legal representative of the deceased within a time to be specified by the court, and the representative shall immediately appear for and on behalf of the interest of the deceased. The court charges involved in procuring such appointment, if defrayed by the opposing party, may be recovered as costs. The heirs of the deceased may be allowed to be substituted for the deceased, without requiring the appointment of an executor or administrator and the court may appoint guardian ad litem for the minor heirs."

"Sec. 21 (Rule 3). Where claim does not survive. - When the action is for recovery of money, debt or interest thereon, and the defendant dies before final judgment in the Court of First Instance, it shall be dismissed to be prosecuted in the manner especially provided in these rules."

It is her contention that Case No. 1099-V in the CIR is one for the recovery of overtime compensation allegedly due and owing to the members of the respondent union for their services to the deceased Fortunato F. Halili; and since the same is a money claim which does not survive within the contemplation of the above-quoted provisions of Section 21 of Rule 3, by clear mandate of the same provisions, the said action should be dismissed and thereafter prosecuted in the manner especially provided in the Rules, i. e., the money claim referred to must be dismissed in the CIR and then filed instead, if not yet barred, in the intestate estate of the late Fortunato F. Halili in Special Proceedings No. Q-10852 of the Court of First Instance of Rizal in the manner provided under Rule 86 of the Rules of Court. It is therefore maintained by her that the procedure provided in Section 17 of Rule 3 requiring the substitution of a deceased party by his legal representative - is not applicable to the present case, and, consequently, the respondent CIR erred and committed grave abuse of discretion amounting to lack of jurisdiction when, in its impugned order of April 27, 1967, it appointed herein petitioner as legal representative of, and substituted for, the deceased Fortunato F. Halili, and directed the Hearing Examiner of said court to continue receiving the evidence of the parties, instead of declaring that the action against said deceased did not survive and should be dismissed and prosecuted in the CFI of Rizal.

For the sake of clarity, it must be stated that the basic theory of petitioner's first assignment of error is that if the respondent or defendant, who is a natural person, in a case before the CIR for payment of overtime pay dies during the pendency of the same, the CIR loses jurisdiction to continue with the same and, instead, the corresponding claim should be re-filed with the appropriate regular court of first instance having jurisdiction of the testate or intestate estate of the deceased respondent or defendant. While the point is undoubtedly important, We do not deem it necessary to pace upon the same in this case. For even if the injunction in Section 21, Rule 3, in relation to Rule 86 of the Rules of Court, were to be followed in this case, the questioned orders of respondent CIR must stand. We find that the court a quo acted precisely in accordance with the provisions invoked by

petitioner when it appointed her as legal representative of her deceased husband and substituted her for him in the case. Section 21 of Rule 3 provides very clearly that actions for recovery of money, debt or interest thereon, as the one here involved, "shall be dismissed to be pro-secuted in the manner especially provided in the(se) rules" only when "the defendant dies before final judgment". There is no gainsaying that such is not the case of petitioner - where the decision in the court below has already long ago, become final and executory. Petitioner should recall that in her deceased husband's first appeal to this Court in G.R. No. L-24864, it was already argued that the respondent CIR erred "in holding him liable for payment under Commonwealth Act No. 444 of the compensable hours of work rendered by, the drivers and conductors who are members of respondent union", and this Court therein disposed of said-argument by declaring that the "issue is not properly raised x x x because the decision of the Court of Industrial Relations dated August 7, 1961 and its clarificatory resolution of August 17, 1961 already became final and executory, the petitioner not having appealed therefrom". Such being the situation in this case, it is obvious that it does not come within the pur-view of Section 21 of Rule 3 invoked by petitioner; and the lower court was right in appointing her as legal representative of, and ordering her substituted for, the deceased Fortunato F. Halili, in accordance with the pro-cedure indicated in Section 17 of the same Rule.

Likewise, in that decision in G. R. No. L-24864, this Court held:

"The decision, therefore, is a final adjudication on the main issue submitted to the court, and cannot be considered as interlocutory. The main case is now at its execution stage and what only remains to be threshed out is the precise compen-sable hours of work rendered by, and the amount of compensation owing to, the drivers and conductors who are members of the respondent union from October 1, 1956 to date."

Under the circumstances, the respondent CIR cannot be held to have abused-its discretion in directing the Hearing Examiner of said court to proceed with the re-ception of the evidence of the parties in this case after herein petitioner was appointed legal representa-tive of, and was substituted for, her deceased husband.

It is well to emphasize, perhaps, that the rationale of the procedure here involved is that after an action for money has been tried and decided by a competent court, it would be a useless repetition of proceedings to have it again tried and decided by a probate court. Enlightening on this point are the following words in Testate Estate of Jose Laserna Paro y Tupaz,[3] to wit:

x x x [u]pon the facts and circumstances of the present case, the claim of Jose Altavas, although it did not survive the deceased, need not have to be presented before the committee on claims and appraisal principally because that claim is al-ready an adjudicated claim by final pronouncement by this Court in G. R. No. L-40038. To countenance appel-lant's theory would be to convert a claim duly passed upon and determined not only by the Court of First Instance but by this Court into a contested claim, once again, in the language of the trial court, 'giving the committee on claims more power than the courts of justice' and 'obliging a creditor whose claim had already been passed upon by the Court to submit himself to the committee on claims and to pass over again through the endless process of presenting his evidence which he had already done.' x x x"[4]

WHEREFORE, the order and en banc resolution as-sailed in this proceeding are affirmed, with costs against petitioner.

Concepcion, C.J., Reyes, J.B.L., Dizon, Makalintal, Zaldivar, Fernando, Teehankee, Villamor, and Makasiar, JJ., concur.

Castro, J., did not take part.

[1] G.R. No. L-9795, Dec. 28, 1957, 192 Phil. 1179 (Unreported).

[2] See Annotations 19 SCRA 141. See also Phil. Asso. of Free Labor Union (PAFLU), et al. vs. Tan & Rema,

Inc., 99 Phil. 854, 861-862; Oriental Tin Cans Workers' Union vs. CIR, G.R. No. L-17695, Feb. 26, 1965; Edward J. Nell Co. vs. Cubacub, G.R. No. L-20842, June 23, 1965; Atlantic Gulf & Pacific Co. vs. Olivar, G.R. No. L-19526, Sept. 20, 1965; Centro Escolar University vs. Wandaga, et al., G.R. No. L-25826, April 3, 1968, 23 SCRA 11, 14.

[3] 68 Phil. 703. This case was decided on a different issue, i. e., whether or not the claim was barred because Jose Altavas failed to present it before the probate court, but it is cited because the same procedure is involved.

[4] Cf. Intestate Estate of Encarnacion Elchico Vda. de Fernando (Ignacio vs. Pampanga Bus Co., Inc.), G.R. No. L-18936, May 23, 1967, 20 SCRA 126; To Guioc-Co vs. Del Rosario, 7 Phil. 126; Azarraga vs. Cortes, et al., 9 Phil. 698.

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.