

**FIRESTONE FILIPINAS EMPLOYEES ASSOCIATION, AMADO F. ABIOG,
ERNESTO ACUESTA, LEONCIO ANIEVAS, ANGELITO ALCANTARA,
ANSELMO ANTONIO, ARNOLD ARZOLA, ELISEO BARISO,
DOMINADOR APOSTOL...**

G.R. No. L-37952. December 10, 1974

Ponente: FERNANDO, J.

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FERNANDO, J.:

It is primarily a procedural due process question[1] that is raised by petitioner labor union, the Firestone Filipinas Employees Association,[2] in this appeal by certiorari to set aside an order by respondent Court of Industrial Relations dismissing an unfair labor practice charge against respondent Firestone Tire and Rubber Company. The grievance alleged was that it was not heard on a motion to withdraw such a complaint filed by previous counsel allegedly not authorized to do so. A complicating factor was introduced by the creation of the former National Labor Relations Commission pursuant to Presidential Decree No. 21,[3] by virtue of which such agency is granted original and exclusive jurisdiction over all strikes overtaken by Proclamation No. 1081 declaring martial law.[4] While, therefore, respondent Court then in existence at that time possessed exclusive jurisdiction over unfair labor practice cases, still as the particular charge for union discrimination arose from an existing strike, the matter was likewise heard by the latter body. Moreover, with a compromise settlement having been presumably reached, former counsel of petitioner Union sought the dismissal of the unfair labor practice charge with the respondent Court. It granted such a plea, but to repeat, it is now asserted that it should not have done so as petitioner Union did not authorize such a move, and, what is worse, was not heard at all, on so crucial an issue, resulting as it did in loss of employment.

If that were all, the plausibility of this petition cannot be gainsaid. There is, however, a legal obstacle posed. It is submitted by private respondent that the National Labor Relations order in settling the aforesaid strike did grant separation pay to the strikers, who executed releases and quitclaims. The obstacle is not insuperable. It did not suffice under the 1935 Constitution.[5] It is even less persuasive under the present Charter.[6] The recent decisions[7] that reflect the letter and spirit of its more generous provisions on protection to labor speak eloquently of State concern to accord deference to the basic policy of solicitude for the welfare of the workingman. It is not too much to say then that a labor union, and more so its members, are not to be held to the strictest accountability for acts that may be attributed to counsel not authorized, especially so, where they did not have a hearing on so vital a matter that did lead to loss of employment. What is more, considering that there is a new Labor Code,[8] with its National Labor Relations Commission,[9] nothing would be lost and the petitioner labor union would indeed receive its full protection if it could be heard on such motion for the dismissal of the unfair labor practice charge. We grant certiorari.

The case had its origins when on May 4, 1972, petitioner Firestone Filipinas Employees Association filed an unfair labor practice charge with the prosecution division of respondent Court against respondent Firestone Tire & Rubber Company of the Philippines, complaining of acts of union discrimination with the individual employees,

members of the union, involved in the strike being harassed and being required to resign their membership, failing which they would forfeit their jobs, with the company all the while making derogatory statements against the petitioner union and their leaders.[10] Thereafter, the prosecution division of respondent Court conducted the preliminary investigation of the unfair labor practice charge against respondent company, with its prosecutor filing on February 5, 1973 a complaint for unfair labor practice docketed as ULP No. 5980.[11] While such complaint was pending with respondent Court, the then National Labor Relations Commission, which as pointed out earlier decided to look into the matter, issued an order, which, insofar as pertinent, reads: "The Union and the Company agree to irrevocably withdraw, dismiss, drop, and close for all intents and purposes the following: *** (c) CIR Charge Nos. 5035 and Case No. 5980 pending with the Court of Industrial Relations; and ***"[12] Then on March 3, 1973, a certain Raul Espinosa, who appeared to be the counsel of record of the petitioners in the ULP Charge 5980 before the Court of Industrial Relations, moved to withdraw or dismiss the unfair labor practice complaint without the knowledge and consent of petitioners, who did not grant him such authority.[13] Moreover, without thus being heard on the matter, respondent Court through respondent Judge Alberto S. Veloso dismissed the complaint.[14] Notwithstanding a formal motion by petitioners, respondent Court en banc denied the plea to set aside such order of dismissal.[15]

Upon the filing of petition, respondents were required to file their comment. What was submitted on behalf of private respondent was considered its answer. The facts as alleged were substantially admitted, its counsel explaining their failure to be more precise on the ground of "lack of knowledge." [16] What was sought to be impressed on this Court is that the motion to dismiss the unfair labor practice complaint came from the counsel of record. It was not denied that no consent was given by petitioners for the filing thereof and that petitioners were not heard at all on the matter. The main defense, as noted earlier, is that the strikers were given "their separation pay in consideration for which they executed releases and quitclaims releasing respondent Company from any and all causes of action under any law or contract arising from their employment with the Company, or cessation therewith." [17] It cannot escape attention that such assertion is far from specific. It failed to state who of the individual petitioners did execute such releases and quitclaims, the only reference was to petitioner Demetrio Castro. As set forth at the outset, such a defense is not persuasive enough. To repeat, we find for petitioners.

1. The procedural due process question raised is not to be lightly glossed over. What was dismissed was a complaint for unfair labor practice having its origin in a strike that, as stated by private respondent, started as far back as August 2, 1971, characterized by it as illegal, a conclusion of law which on its face betrays its prejudiced source.[18] It would appear therefore that petitioners had been out of work for quite some time. A dismissal then of the complaint for unfair labor practice would effectively blast their hopes for an order of reinstatement, on the assumption that they could prove their charge. It would not be too much to expect of an administrative body like respondent Court, precisely created to assure that labor is protected in accordance with the fundamental law, to take pains to assure itself that counsel in presenting a motion to dismiss was indeed so authorized. Nor should it have begrudged the time it spent in hearing what the labor union has to say on the matter.

Such consideration could explain private respondent's emphasis on the releases and quitclaims imputed to the strikers. What is immediately noticeable is that no names were specified. Instead the generic term "strikers" was used.[19] Under the circumstances, the Latin maxim *suggestio falsi est suppressio veri* comes to mind. What weakens the case for private respondent even more is that as a matter of law the acceptance of the terms of the alleged compromise including the benefits attributed to it did not automatically negate the assertion of whatever rights may be possessed by virtue of the Industrial Peace Act. Mention has just been made on the length of time that had elapsed since the strike began. The financial plight of the petitioners is thus obvious. They are people who without work would find it difficult to know how their basic needs can be met. They are likely to be family men, appalled by the thought that they cannot even provide sufficiently for their young ones. It is precisely the

realization that their lot is far from enviable that led to this highly relevant excerpt from the opinion announced in *Philippine Sugar Institute vs. Court of Industrial Relations*:^[20] "By accepting the benefits of their separation the petitioner argues that they are in estoppel. The separation thrust upon them and the acceptance of the benefits thereof cannot constitute estoppel."^[21] So it was made clear in the opinion of Justice Padilla, a jurist with the solid reputation for soundness and competence, who was ever careful never to go further than the law allows in recognition of the claims of the workingman. The then Justice, now Chief Justice, Makalintal had occasion to reiterate such a doctrine in *Urgelio vs. Osmena*^[22] in these words: "Contrary to respondents' theory, the fact that petitioners received their terminal pay cannot be considered as a waiver of the right to question the termination of their services."^[23] That was so under the 1935 Constitution. The present Constitution, as already noted, is much more liberal in its recognition of labor's dependence on governmental efforts to assure that its welfare be truly promoted. It would be to blunt the force then of the decisions referred to earlier, promulgated after the approval of the Charter now in force, if the defense of the petitioners having executed releases and quitclaims will be given the seal of approval. This Court is not disposed to take that step.

2. The conclusion reached has reinforcement that comes to it from a slightly different avenue of approach. A new Labor Code has just come into force.^[24] One of its major instrumentalities is the reconstituted National Labor Relations Commission, to take the place of the defunct respondent Court of Industrial Relations. Its powers are broad.^[25] It is intended to implement the basic state policy as to labor including security of tenure^[26] and full employment.^[27] It should at the very least be given full opportunity to demonstrate its effectiveness. This is so especially as the incident involved in this petition arose during the period covered by Proclamation No. 1081. Moreover, it is to be kept in mind in seeking the setting aside the order of dismissal of the unfair labor practice complaint, the plea of petitioners, in the final analysis, is that they be given the hearing they have never had. They are entitled to it; that is a requirement of due process. That should dispose of the procedural objections of private respondent. As far back as *Ang Tibay vs. Court of Industrial Relations*,^[28] Justice Laurel made clear that a denial of this cardinal right would oust the respondent Court of jurisdiction. Moreover, only last month, in *Philippine Maritime Industrial Union vs. Court of Industrial Relations*,^[29] this Court reaffirmed the well-settled doctrine that in labor cases before this Tribunal, no undue sympathy is to be accorded to any claim of a procedural misstep, the idea being that its powers be exercised according to justice and equity and substantial merits of the controversy. That principle is embodied in the new Labor Code.^[30]

3. One other matter. From the state of the record, it does not appear too clear whether in truth and in fact Attorney Raul Espinosa was indeed authorized by petitioner labor union and the individual petitioners to file the motion for dismissal with respondent Court. If such were the case, then it has a bearing on the outcome of this litigation. Inasmuch as the suit is to be remanded to the National Labor Relations Commission, that particular issue should be inquired into so that thereafter an appropriate ruling may be had.

WHEREFORE, the order of respondent Court of March 9, 1973, dismissing the unfair labor practice case No. 5980-ULP, as well as its resolution of November 6, 1973, denying the urgent motion to set aside the order of dismissal, are hereby nullified and declared to be bereft of any legal force or effect. The case is remanded to the National Labor Relations Commission in accordance with Article 338 of the new Labor Code providing that all cases pending before the Court of Industrial Relations as well as the National Labor Relations Commission established under Presidential Decree No. 21 at the time of its enactment "should be transferred to and processed by the National Labor Relations Commission" created thereunder. No pronouncement as to costs.

Barredo, Antonio, Fernandez, and Aquino, JJ., concur.

[1] According to the 1935 Constitution, Article III, Section 1, par. 1: "No person shall be deprived of life, liberty,

or property without due process of law . . ." An identical provision is found in Article IV, Section 1 of the present Constitution.

[2] Petitioner labor union is joined by the individual petitioners mentioned in the above caption.

[3] Section 1 of Presidential Decree No. 21 reads as follows: "A National Labor Relations Commission is hereby established in the Department of Labor composed of three members with the Undersecretary of Labor or his duly authorized representative as Chairman, and the Director of Labor Relations and the Director of Labor Standards or their duly authorized representatives as members. If the Undersecretary of Labor cannot attend, his duly authorized representative shall sit as a member, and the Director of Labor Standards or, in his absence, the Director of Labor Relations shall act as Chairman." (1972) Court

[4] Section 2 of Presidential Decree No. 21 reads as follows: "The Commission shall have original and exclusive jurisdiction over the following: "1) All matters involving employee-employer relations including all disputes and grievances which may otherwise lead to strikes and lockouts under Republic Act No. 875; 2) All strikes overtaken by Proclamation No. 1081; and 3) All pending cases in the Bureau of Labor Relations."

[5] Cf. *Philippine Sugar Institute vs. Court of Industrial Relations*, 109 Phil. 452 (1960) and *Urgelio vs. Osmena, Jr.*, L-14908, February 28, 1964, 10 SCRA 253.

[6] According to Article II, Section 9 of the Constitution: "The State shall afford protection to labor, promote full employment and equality in employment, ensure equal work opportunities regardless of sex, race, or creed, and regulate the relations between workers and employers. The State shall assure the rights of workers to self-organization, collective bargaining, security of tenure, and just and humane conditions of work. The State may provide for compulsory arbitration."

[7] Cf. *Bormaheco, Inc. vs. Abanes*, L-28087, July 13, 1973, 52 SCRA 73; *Guijarno vs. Court of Industrial Relations*, L-28791, Aug. 27, 1973, 52 SCRA 307; *Alfanta vs. Noe*, L-32362, Sept. 19, 1973, 53 SCRA 76; *De Chavez vs. Zobel*, L-28609, Jan. 17, 1974, 55 SCRA 26; *Chan Bros., Inc. vs. Federacion Obrera*, L-34761, Jan. 17, 1974, 55 SCRA 99; *Herald Delivery Carriers Union vs. Herald Publication*, L-29966, Feb. 28, 1974, 55 SCRA 713; *Philippine Communications Federation vs. Court of Industrial Relations*, L-34531, March 29, 1974, 56 SCRA 480; *Philippine Air Lines vs. Philippine Air Lines Employees Asso.*, L-24626, June 28, 1974, 57 SCRA 489; *Almira vs. B.F. Goodrich Philippines*, L-34974, July 25, 1974, 58 SCRA 120; *Feati University Faculty Club vs. Feati University*, L-31503, Aug. 15, 1974, 58 SCRA 395; *Radio Communications of the Philippines vs. Philippine Communications Electronics*, L-37662, Aug. 30, 1974, 58 SCRA 762.

[8] Presidential Decree No. 442 (1974).

[9] Art. 260 of the Labor Code of the Philippines. According to Art. 261: "Creation of National Labor Relations Commission: — A National Labor Relations Commission is hereby established in the Department of Labor. It shall be under the administrative supervision of the Secretary of Labor and shall be composed of a chairman representing the public, two members representing the workers and two members representing the employers."

[10] Petition, par. III.

[11] *Ibid*, par. VII.

[12] *Ibid*, pars. VIII and IX.

[13] *Ibid*, par. X.

[14] *Ibid*, par. XI.

[15] Ibid, pars. XIII and XIV.

[16] Comment 1.

[17] Ibid, 9.

[18] Ibid, 2.

[19] Ibid, 9.

[20] 109 Phil. 452 (1960).

[21] Ibid, 460.

[22] L-14908, February 28, 1964, 10 SCRA 253.

[23] Ibid, 254.

[24] Presidential Decree No. 442 which took effect on November 1, 1974.

[25] Cf. Article 266 of the new Labor Code.

[26] Cf. Article 3 of the new Labor Code.

[27] Cf. Article 12 of the new Labor Code.

[28] 69 Phil. 635 (1940).

[29] L-37003, October 23, 1974.

[30] Article 270 of the new Labor Code.

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