

**NATIONAL POWER CORPORATION SUPERVISORS' UNION,
PETITIONER, VS. NATIONAL POWER CORPORATION, NATIONAL
POWER CORPORATION EMPLOYEES & WORKERS
ASSOCIATION, ATTY. SIMPLICIO S. BALCOS ...**

G.R. No. L-28805. August 10, 1981

Ponente: MELENCIO-HERRERA, J.

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MELENCIO-HERRERA, J.:

By this Petition for Certiorari and Prohibition with Preliminary Injunction, petitioner seeks to annul the Orders issued by respondent Judge on 6 February and 28 February 1968, in Case No. 81-IPA of the Court of Industrial Relations (CIR) entitled "National Power Corporation Employees and Workers Association vs. National Power Corporation". The petitioner there-in (Workers' Union, for short, but also called NPCEWA) is a labor union of rank and file employees of respondent National Power Corporation (NAPOCOR, for brevity). There is also another labor union in NAPOCOR, the petitioner union, composed of supervisors (Supervisors' Union for short, petitioner herein). In the questioned Orders, respondent Judge, Arsenio Martinez, directed NAPOCOR to deduct from the salary increases of all NAPOCOR employees, including supervisors, members of the Supervisors' Union, an amount corresponding to 20% thereof as attorney's fees payable to respondent Atty. Simplicio S. Balcos.

Sometime in January, 1968, a labor dispute between NAPOCOR and the Workers' Union was certified by the President of the Philippines to the CIR, docketed as Case No. 81-IPA (the case below). It was set for hearing before respondent Judge. The dispute stemmed from the Workers' Union's demand to reopen negotiations for salary adjustment for NAPOCOR employees.

On 5 January 1968, the Supervisors' Union filed in the case below a "Motion to Intervene and Admit Answer in Intervention" on the principal ground that, as the labor union of supervisors duly recognized by NAPOCOR as the exclusive representative of all supervisory personnel, and invoking the provisions of their own collective bargaining agreement, it had legal interest in the matter under controversy and that it stood to be adversely affected in the resolution of the issues raised by the parties. No action was taken by respondent Judge on that Motion.

On 8 January 1968, a "Supplementary Agreement to the Existing Collective Bargaining Agreement Executed by and Between the NPC and the NPCEWA" was submitted to the CIR for approval wherein NAPOCOR agreed, among others, to grant salary increases to its rank and file employees. In an Order of the same date, respondent Judge approved the Agreement and adopted it as its own award.

On 13 January 1968, respondent Atty. Simplicio S. Balcos, as counsel for the Workers' Union, filed a Motion seeking a grant of 20% attorney's fee on all amounts that may be due and payable to employees of NAPOCOR by virtue of the Order dated 8 January 1968.

Two days later, or on 15 January 1968, the Workers' Union also filed a Motion asking for union assessment of 5%

on the same award of 8 January 1968.

On 16 January 1968, the Supervisors' Union again moved for the resolution of its Motion for Intervention. Without acting on the same, respondent Judge issued the assailed Order of 6 February 1968, which directed NAPOCOR

"x x x to deduct 20% fee on all amounts that may be due and payable to all NPC employees and/or workers by virtue of the January 8, 1968 order, and to pay the same to Attorney Simplicio S. Balcos. The company is likewise order-ed to deduct the 5% union assessment against all amounts to be received by virtue of the same award and/or order of employees and/or workers covered by the collective bargaining agree-ment with the NPCEWA"[1] (Italics ours)

On 23 February 1968, NAPOCOR presented an "Urgent Motion for Clarification" of the Order of 6 February 1968, particularly, on whether or not the supervisors who belong to another appropriate bargaining unit and whose salaries were likewise adjusted in accordance with other adjustments extended to other personnel of the Corporation, as provided for under Section 2, Article XXI of the CBA executed by and between the Supervisors' Union and NAPOCOR on 24 July 1967, are included in the Order of 6 February 1968.

Resolving the Motion for Clarification, respond-ent Judge issued the Order of 28 February 1968, also under question, which held that:

"The order of February 6, 1968 is indeed clear. It says 'x x x The company is therefore directed to deduct 20% on all amounts that may be due and payable to all NPC employees and/or workers by virtue of the January 8, 1968 order, and to pay the same to Attorney Simplicio S. Balcos. x x x ' There is no question, therefore, if only for the sake of clarification, that the order of February 6, 1968 refers to NPC employees and/or workers embracing the rank and file employees as well as the supervisors of the corporation who, by and large, have been bene-fited by the order of January 8, 1968. And again, needless to say that the payment of attorney's fees by union and non-union members, as long as they are all employees of the corporation, has long been settled in this jurisdiction. Incidentally, said order of February 6, 1968 has already become final and executory"[2] (Italics supplied)

Shortly thereafter, or on 4 March 1968, the Supervisors' Union filed an Urgent Omnibus Motion stating that it is not and was never a party to the case in spite of its "Motion to Intervene and Admit Answer in Intervention," which remained unresolved, and praying that the Orders dated 6 and 28 February 1968 be set aside in so far as they include the supervisors of NAPOCOR in the payment of attorney's fees to Atty. Balcos.

The Supervisors' Union's Urgent Motion to set the Omnibus Motion for hearing, filed on 15 March 1968, also remained unresolved. Hence, this Petition for Certiorari and Prohibition with Writ of Preliminary Injunction filed with us on 20 March 1968.

We issued on 16 April 1968 a Writ of Preliminary Injunction, upon the posting of a bond of P500.00, enjoining NAPOCOR from making any deductions from the salary differentials of the supervisors of the NPC to cover the 20% attorney's fee payable to respondent Atty. Simplicio S. Balcos, and ordering respondent Judge to refrain from taking further proceedings in the case in so far as it involves the Supervisors' Union.

The issue for resolution is whether or not the NAPOCOR supervisors could be legally compelled to pay to respondent Atty. Balcos, as attorney's fees, any part of the salary increases they obtained from NAPOCOR.

We rule in the negative and sustain the stand of the Supervisors' Union.

The Supplementary Agreement that was approved by respondent Judge in its Order dated 8 January 1968 was expressly "between the NPC and the NPCEWA" alone. Furthermore, by express terms and conditions of said

Order the award made therein was not to affect any collective bargaining agreement between the Supervisors' Union and NAPOCOR. In other words, the Supervisors' Union was treated as a completely separate bargaining unit. The pertinent portion of the Order reads:

"It is understood that this agreement, and approved as an award by the Court, shall not in any manner affect, amend, alter, and much less render academic, the certification election proceedings going on in the Court which affect, include and involve the super-visors' union, and shall not further violate, change, alter or amend the existing collective bargaining agree-ment between management and said super-visor's union, including all such matters, clarifications, modifications or inter-pretations arrived at on all conferences where management, the supervisors' union and the union of the rank-and-file were present."[3]

The exclusion of supervisors from the scope of the 8 January 1968 Order further finds reinforcement in the footnote appearing at the bottom of page 2 of the Supplementary Agreement, which reads:

"Employees referred to herein are rank and file employees, that is, all NPC employees except Department Chief and those other employees who are supervisors according to law and jurisprudence and competent courts".[4] (Italics supplied)

The transcript of stenographic notes taken during the hearing of 8 January 1968[5] by no means supports respondent lawyer's submission that the CIR had impliedly resolved the Supervisors' Union's Motion for Intervention, but rather, explicit-ly stated that the CIR had yet to act on said Motion.

Moreover, no special service was rendered nor any special effort exerted by respondent lawyer in connection with the salary increases of the supervisory personnel as could legally entitle him to attorney's fees:

"x x x even assuming that the supervisory employees of Meralco were actually granted by the company an increase in salary similar to the salary increase due to its non-supervisory employees by virtue of Sec. 7 of the CBA, the same could not have been due to said CBA nor to any special effort of respondent but to a policy or concession of the management of Meralco, and, as such, the supervisory employees could not be legally compelled to pay to respondent Gaerlan as attorney's fees any part of said salary increase"[6]

Respondents argue, however, that as the super-visors belonging to their Union had been directly or indirectly benefited by the Order of 8 January 1968, they should also be made to pay attorney's fee to be deducted from their salary increases. This contention is unfounded. Not only did the supervisors belong to a different bargaining unit with their own collective bargaining agreement, but also, the increases extended to the supervisory personnel by NAPOCOR was not by virtue of what is termed a "distortion adjustment" but was a management concession effected pursuant to the provisions of the collective bargaining agreement executed by and between the Supervisors' Union and NAPOCOR on 24 July 1967 whereby NAPOCOR bound itself to continue adjusting salaries of personnel covered by the agreement in accordance with other adjustments extended to other personnel, and not by virtue of the Order dated 8 January 1968. This fact was admitted by NAPOCOR in its Motion for Clarification filed on 23 February 1968 stating that:

"4. On February 23, 1968, respond-ent served notice on the NPCSU that the NPC was adjusting the salaries of supervisors in accordance with Section 2, Article XXI of the Agreement on July 24, 1967."[7] (Italics supplied)

Even granting, arguendo, that the members of the Supervisors' Union had, in one way or another, benefited from the services of respondent counsel, there arises no obligation to compensate in the absence of an express or implied contract.

"The persons benefited by an attorney's service are not obliged to compensate him when the same are rendered without their knowledge or consent or against their protest.

"The true grounds upon which, in our opinion, the appellant stands are that his services have resulted beneficially to the heirs and that therefore they should compensate him for his labor. There has not been cited to us, neither do we know of, a provision of the law in support of this contention. If we were to admit this contention the theory of the law would be completely changed. There would be no further need of contracts. It would result that any-one might impose obligations upon another without his knowledge or consent, and even against his protest as happened in the present case"[8]

Parenthetically, PD 1691 dated May 1, 1980, amending Article 222 of the Labor Code, now makes it unlawful for Union lawyers to collect or assess fees from individual members of the contracting union based on benefits derived from collective bargaining agreements.

Lastly, although by no means the least consideration, to allow the questioned Orders to have binding effect upon the Supervisors' Union, when, notwithstanding its interest in the case, it was not allowed to intervene, nor was it impleaded as a party, nor accorded any hearing, is patently violative of the constitutional guarantee against deprivation of property without due process of law.

"Where, as in the case at bar, petitioner was at no time named a party in an ejectment case and could not therefore be heard on a matter wherein her vital rights were involved, there was a denial of due process.

"Procedural due process is that which hears before it condemns, which proceeds upon inquiry and renders judgment only after trial. It contemplates notice and opportunity to be heard before judgment is rendered affecting one's person or property."[9]

WHEREFORE, this Petition for Certiorari and Prohibition is granted, the Orders of respondent Judge, dated 6 February and 28 February 1968, set aside in so far as petitioner, National Power Corporation Supervisors' Union, is concerned, and the Writ of Preliminary Injunction issued by this Tribunal on 16 April 1968 hereby made permanent.

No costs.

SO ORDERED.

Teehankee, Acting C.J., Makasiar, Fernandez, and Guerrero, JJ., concur.

[1] p. 50, Rollo.

[2] p. 57, Rollo.

[3] p. 38, Rollo.

[4] p. 40, Ibid.

[5] "THE COURT

"And, of course you would not deny me the right to go over the terms and conditions (of the supplementary agreement) before I approve of the same; because just a while ago I made mention of the fact that there has been filed a motion for intervention. Perhaps, under the belief that the agreement might in one way or another prejudice or touch upon the proceedings going on where the Supervisors Union is necessarily involved.

xxx xxx

"xxx In fact I have prepared a collatilla to be included in the order of this Court if and when the Court finds that

the terms and conditions of the provisions of the agreement are in consonance with public policy, law and morals, I will incorporate it in the record. I propose the inclusion of this condition: 'It is understood that this agreement and approved as such . . . rather approved as an award by the Court, shall not in any manner affect, amend, alter, or muchless render academic the certification election proceedings going on in the Court which affect, include and involve the Supervisors' Union; and shall not further violate, change, alter or amend the existing collective bargaining agreement between the management and with said supervisors' union including all such matters, modifications or interpretations arrived at on all conferences wherein the management, the supervisors' union and the union of rank and file were present.' This I intend to include, in order to preserve the status quo and to prevent further any industrial dispute that would issue out of this agreement, if the parties, more especially the supervisors' union would feel that it has been relegated to the background, because somehow the Court has to act on the motion for intervention x x x " (p. 80, Rollo).

[6] Citing Pascual vs. Court of Industrial Relations, L-27856-57, February 28, 1979, 88 SCRA 645, Manila Electric Co. vs. Gaerlan 97 SCRA 840 (1980).

[7] p. 52, Rollo.

[8] Orozco vs. Heirs of Hernaez, 1 Phil. 78, 79 (1901).

[9] Macabingkil vs. Yatco, 21 SCRA 151 (1967), citing Cruzcosa, et al. vs. Hon. H. Concepcion, et al., 101 Phil. 147 (1957); Abuan vs. Valera, 72 SCRA 301 (1976).

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