

NATIONAL RICE AND CORN CORPORATION (NARIC), PETITIONER, VS. CELSO HENSON, ET AL., AND COURT OF INDUSTRIAL RELATIONS, RESPONDENTS.

G.R. No. L-15093. July 30, 1960

Ponente: BARRERA, J.

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BARRERA, J.:

Petition to review on certiorari the order of respondent Court of Industrial Relations dated January 13, 1959, and its resolution en banc of February 3, 1959.

In CIR Case No. 746-V, entitled "NARIC Workers Union vs. NARIC", petitioner National Rice and Corn Corporation (NARIC) filed a petition dated March 17, 1954, praying for the approval of the laying off of employees voluntarily severing their services from it, in pursuance of the retrenchment and austerity program of its management, due to shortage of funds. Attached to said petition, was a list of employees who manifested their desire to be voluntarily and permanently laid off. Subsequently, a supplementary motion containing another list of additional employees who likewise agreed to be permanently laid off was submitted. Said 2 lists contained, among others, the names of all respondents herein (Celso Henson and 40 others). The condition for the voluntary and permanent laying off of said employees from the service of petitioner corporation was that, they will be paid their gratuities equivalent to 1 month salary for every year of service, but not exceeding 12 months salary.

After a series of hearings and conferences between petitioner corporation and the NARIC Workers Union to which the employees concerned were affiliated, respondent court, on September 20, 1954, issued an order approving the agreement of the parties for the permanent and voluntary laying off of said employees effective February 12, 1954, as prayed for in said original and supplementary petitions, subject to the following provision:

"This order does not include certain employees who received their gratuities under protest which will be taken up together with those who did not receive gratuity in a separate order or decision."

Consequently, when respondent court, on October 9, 1954, rendered a decision on the merits in said CIR Case No. 746-V, it resolved the case of those "employees who received their gratuities under protest" or "who did not receive gratuity", expressly excluded from said order of September 20, 1954. Said decision, in part, reads:

"The Order dated September 20, 1954, in connection with the 'urgent petition for authority to permanently lay off employees effective as of February 12, 1954,' states, among others, that the said 'order does not include certain employees who received their gratuity under protest which will be taken up together with those who did not receive gratuity in a separate order or decision. The said employees excluded from the said order are the subject of the instant order. The said urgent petition to permanently lay off employees is premised on the undisputed fact that the corporation is overmanned and with no work to do and that it is in a precarious condition. The workers, with the exception of the security guards and few others, realizing the situation of the respondent, agreed to be separated from the corporation in consideration of one month gratuity, for every year of continuous service.

"The situation of the security guards, however, is different in that, unlike the other workers, they have work to do—guarding the buildings, warehouses and their contents and other properties of the respondent. In fact, the 19th BCT soldiers were detailed to guard the said properties, together with the security guards from January, 1954 up to February 12, 1954, when the said soldiers actually took over and relieved the security guards from their work. According to the testimony of the General Manager of the respondent, that was done upon the directive of his Excellency, the President, Ramon Magsaysay, for reasons of economy and better protection of company properties. * * *.

"From the foregoing, the issue is whether the security guards and other employees who did not receive their gratuity may be laid off.

"It is important to note that the security guards have work to do and that there is no charge whatsoever against them. * * *. Under ordinary circumstances, the security guards could not have been laid off, and therefore, should be reinstated with backpay. Considering, however, that they were relieved by the 19th BCT soldiers, who received no additional salary other than their salary as soldiers, for reason of economy and better protection of company properties, the wisdom of which is very apparent, there is nothing that the Court can do. However, the Court understands that this state of affair is not permanent, so that if and when the soldiers shall have been recalled therefrom the respondent should take back the security guards before taking in new ones pursuant to the agreement entered into by and between the parties on January 7, 1953, the pertinent paragraphs of which are hereunder quoted:

'6. That the parties hereby agree that no discrimination or favoritism will be made by the corporation against any of its workers.

'7. Job Security.—That no worker shall be suspended, dismissed, or laid off except for a justifiable cause. Members of the petitioner union may only be laid off or dismissed after proper investigation by management.'

"As to whether the security guards are entitled to backpay or something of the sort, it is the sense of the Court that since the company is generous enough to have given gratuities to all its employees who do not have work, notwithstanding its financial condition, in justice and fairness to the security guards who are out of work by force of circumstances despite the fact that they have work to do, the respondent should extend to them the same generosity by giving them certain compensation at the same rate of one month pay for every year of continuous service but not exceeding twelve months in order that they will have something with which to go by in the meantime that they have no work or until they are recalled to their work. For the sake of industrial peace and following the same spirit of generosity the respondent should and is hereby directed to consider even temporary appointments of the security guards to any available position fit for their respective qualifications.

* * * * *

"As regards the other security guards who received their gratuities under protest, it is apparent that they did so because they were compelled by circumstances, and, therefore, their acceptance of their gratuity, cannot and should not be construed as waiver of their rights to their former work when the soldiers shall have been recalled. Now, with respect to the other employees who are not security guards who were laid off and; who received their gratuities under protest, they should be treated in the same manner as those who voluntarily agreed to be permanently laid off for lack of work in consideration of the gratuity paid to them.

"Wherefore, the respondent is hereby enjoined to comply with the terms of the foregoing order within three days from receipt hereof with respect to the payments of compensation to the workers concerned and to re-employ the security guards as soon as possible.

"So Ordered."

On August 6, 1955, the NARIC Workers Union filed with respondent court a petition (CIR Case No. 746-V[11]), praying inter alia, for the immediate reinstatement of the laid off security guards including their chief and to pay them back wages. On July 26, 1957, respondent court issued an order directing petitioner corporation to reinstate some (only 18) of the former security guards, but did not include any of the 41 respondents herein.

On February 11, 1958, respondents Henson and 40 others, submitted their own petition for reinstatement (CIR Case No. 746-V[13]), which was later amended, alleging, among other things, that in spite of the withdrawal of the 19th BCT soldiers from petitioner on September 27, 1955, petitioner failed to take back respondents in its employ, and instead employed new security guards and employees, in gross violation of respondent court's order of October 9, 1954; and that contrary to the agreement of January 7, 1963V petitioner reinstated only 18 security guards, most of whom are emergency employees in status, to the utter discrimination of respondents. They prayed that petitioner corporation be ordered to reinstate them immediately with fall back wages from September 27, 1955, until they are actually reinstated.

On April 10, 1958, petitioner corporation filed a motion to dismiss said petition, on the grounds that (1) the cause Of action is barred by prior judgment; and (2) that the cause of action has been filed out of time. Acting on said motion, respondent court resolved to hold action thereon in abeyance, until the decision of the petition on the merits.

On April 30, 1958, petitioner corporation filed its answer to the petition for reinstatement, praying for its dismissal.

Thereafter, the petition was heard and, after hearing wherein respondents presented only 2 witnesses, respondent court, on January 13, 1959, ordered the reinstatement of respondents (Henson, et al.), in an order which, in pertinent part, reads:

"The records of this case show that General Circular No. 23 of the Naric, dated March 24, 1954 (Exh. C), was addressed to all laid-off employees of the NARIC central office who have not yet taken advantage of the gratuity benefit, and that the board of directors set March 31, 1954 at 4:00 p.m. as the deadline for these laid-off employees of the central office who have not yet availed themselves of the gratuity to sign the payroll and receive their corresponding checks: and after the date and time set forth, the benefit of gratuity will be considered withdrawn in accordance with Resolution No. 17 of 1foe board of directors of the NARIC.

"The petitioners (herein respondents Henson, et al,) do not consider as voluntary on their part the receipt of the gratuity because they were forced to avail themselves of the benefit offered therein on account of the deadline set by the board of directors of the NARIC. The testimony of Albert Arce to the effect that he signed a petition protesting the laying off of employees and requesting for the immediate reinstatement of the signatories, which petition he believed was endorsed by the union to the manager of the NARIC, was never contradicted by the respondent (herein petitioner corporation).

"In its memorandum, the respondent urges that the petitioners have no cause of action because the decision of the Court in Case No. 746-V dated October 9, 1954 pertains only to certain employees who received their gratuities tinder protest and to those who did not receive gratuity, and that this Court approved in its order of September 20, 1954 the voluntary and permanent lay off of all employees of the respondent who received their gratuities.

"In citing the decision of this Court dated October 9f 1954, the respondent missed the fallowing important portion thereof, to wit:

"It is important to note that the security guards have work to do and that there is no charge whatsoever against them. It may not be out of place to mention in this connection that the president of the petitioner union, Isidro. Sinlao, was commended and awarded the sum of P500.00 for his honesty in the performance of his duties as

security guard sometime ago. Under ordinary circumstances, the security guards could not have been laid off, and, therefore, should be reinstated with backpay. Considering however, that they were relieved by the 19th BCT soldiers, who received no additional salary other than their salary as soldiers, for reasons of economy and better protection of company properties, the wisdom of which is very apparent, there is nothing that the Court can do. However, the Court understands that this state of affairs is not permanent, so that if and when the soldiers shall have been recalled therefrom, the respondent should take back the security guards before taking in new ones pursuant to the agreement entered into by and between the parties on January 7, 1955, the pertinent paragraphs of which are hereunder quoted:

'6. That the parties hereby agree that no discrimination or favoritism will be made by the corporation against any of its workers.

'7. Job Security. That no worker shall be suspended, dismissed, or laid off except for a justifiable cause. Members of the petitioner union may only be laid off or dismissed after proper investigation by management?

"It will be noted that when the 19th BCT soldiers were withdrawn from the service of the NARIC, the management of the corporation, instead of taking back the security guards which it laid off forcibly, took new ones in violation of the above-quoted portion of the decision of October 9, 1954. The respondent accuses the petitioners of laches in the presentation of the instant petition, and yet the said respondent is remiss in its obligation to notify the said petitioners when the occasion to avail their services arose.

"In its memorandum, respondent stated that the cause of action of the petitioner is barred by a prior judgment in Case No. 746-V (11). In citing Case No. 746-V(11), the respondent missed the following important portion of the order of the Court in said case to wit:

'But the respondent submits that the security guards have agreed to be permanently laid-off in consideration of the gratuities received by them. While that is true, the waiver does not apply to the following * * * compelled to receive their gratuity because of the deadline fixed by the respondent (Exhibit I) and/or received their gratuities under protest. * * *

"From the foregoing decision of the Court, the obligation of the respondent to offer the available vacant positions for security guards started from the withdrawal of the 19th BCT soldiers from the service of the NARIC; while the duty of the petitioners to apply for reinstatement commenced after the pull-out of the said soldiers from the compounds of the NARIC. Inasmuch as the parties are both at fault, the backpay of the petitioners, for the sake of justice and equity, should not begirt from the withdrawal of the 19th BCT soldiers, but from the date they filed the original and amended petitions in the instant case." (Italics supplied.)

Of this order, petitioner corporation filed a motion for reconsideration, which was denied by respondent court in its resolution, en banc, of February 3, 1959. Hence, this petition for review.

Petitioner claims that respondent court erred in ordering respondents' reinstatement and payment of back salaries, despite the fact that it was previously authorized to permanently lay-off and pay respondents' gratuities.

The claim has no merit. True it is, that respondent court had, in its order of September 20, 1954 (Annex G) approved the lay-off of petitioner's employees, including herein respondents, whose names appear in the lists attached to the original and supplementary petitions to lay off said employees (Annexes E and F). But respondent court, in the same order, made the reservation that it "does not include certain employees who received their gratuities under protest, which will be taken up together with those who did not receive gratuity in a separate order or decision." Explaining said reservation, respondent court, in its decision of October 9, 1954 (Annex H), stated that "said urgent petition to permanently lay off employees is premised on the undisputed fact that the corporation is overmanned and with no work to do and that it is in a precarious condition. On this premise, it

pointed out that "the situation of the security guards, however, is different in that, unlike the workers, they have work to do." Finding, however, that they were relieved of their work by the 19th BCT soldiers, respondent court said that there was nothing it could do. While it approved said petitions to lay off (Annexes E and F), it assured said security guards of reinstatement to their work, when it declared: "However, the Court understands that this state of affairs is not permanent, so that if and when the soldiers shall have been recalled therefrom, the respondent (herein petitioner) should take back the security guards before taking in new ones, pursuant to the agreement entered into by and between the parties on January 7, 1953" which provides, inter alia, that—

"6. That the parties hereby agree that no discrimination or favoritism will be made by the corporation against any of its workers.

"7. Job Security. That no workers shall be suspended, dismissed, or laid off except for a justifiable cause. Members of the petitioner union may only be laid off or dismissed after proper investigation by management."

Said agreement was approved by respondent Court in a partial decision dated February 16, 1953. It was for this reason that it required in said decision of October 9, 1954, as one of the conditions of the approval of the lay-off of petitioner's employees, that if and when the 19th BCT soldiers were recalled, it should re-employ the security guards, before taking in new ones. In fact, having clarified the situation of the security guards, it directed in the same decision that "with respect to the other employees who are not security guards who were laid-off and who received their gratuities under protest, they should be treated in the same manner as those who voluntarily agreed to be permanently laid off for lack of work in consideration of the gratuity paid to them". It will be noted, in this portion of the decision, that although respondents security guards received their gratuity, they were not to be considered permanently laid off. Only those laid off for lack of work and paid their gratuity were considered permanently separated.

When petitioner laid off respondents herein, among other employees, it did so under its obligation to comply with the conditions laid down in said decision of October 9, 1954, approving the agreement on the lay-off, namely, to reemploy them before taking in new employees, upon the recall of the 19th BCT soldiers. Its obligation arose when the latter were recalled on September 27, 1955. It failed to comply with said obligation when it employed new ones upon the recall of said soldiers on said date, which obligation is enforceable by respondent court itself (Sec. 14, Com. Act No. 103, as amended). This it did, when it issued the appealed order and resolution.

Petitioner, next, contends that respondent court erred in ordering respondents' reinstatement and payment of back salaries, on the basis of the testimonies of only two of respondents' witnesses, citing as authority the case of *Dimayuga, et al., vs. Court of Industrial Relations, et al.*, (101 Phil., 290).

The contention is untenable. In the *Dimayuga* case, the claim of more than 50 workers for reinstatement was based on their alleged dismissal without cause, and we held that only 6 of them who appeared and proved their case were properly ordered reinstated, denying the claim of the rest who failed to establish their case. In the instant case, the situation is different. Respondents' claim for reinstatement is based on a court mandate as stated in the dispositive part of respondent court's decision in CIR Case No. 756-V, dated October 9, 1954, finding the dismissal of the security guards merely temporary, and directing their reemployment as soon as possible. Unlike in the *Dimayuga* case, the guards in the instant case, did not have to prove their claim for reinstatement, considering that their lay-off had already been adjudicated in a final judgment, to be temporary in character. Thus:

"* * * However, the Court understands this state of affairs is not permanent, so that if any when the soldiers shall have been recalled therefrom the respondent should take back the security guards before taking in new ones pursuant to the agreement entered into by and between the parties on January 7, 1953 the pertinent paragraphs of which are hereunder quoted: * * *." (Decision in CIR Case No. 746-V, Oct. 9, 1954.)

And, in concluding its decision, respondent court directed petitioner to "reemploy the security guards as soon as possible." All that was incumbent upon respondents, therefore, was to prove that they were among the security guards referred to in the said decision of October 9, 1954, and that they have not, as yet, been reinstated notwithstanding that the 19th BCT soldiers had already been recalled on September 27, 1965 and the need for their (respondents') services then arose. Petitioner does not dispute that respondents were not reinstated to their work. It is also admitted that the 19th BCT soldiers were recalled on September 27, 1955. It is, likewise, not disputed that since then, new employees were employed by petitioner, instead of respondents herein. In the circumstances, there was no necessity for all respondents herein to testify in court. The testimony of their two witnesses (Arce and Henson) was sufficient.

Petitioner, likewise, argues that respondent court erred in not dismissing respondents' petition for reinstatement on the ground that it was barred by prior judgment.

The argument is devoid of merit. Petitioner cited the order of September 20, 1954 (Annex G) as one of the judgments barring respondents' petition for reinstatement. It was already shown that said order does not bar the action, because the petition is supported by the decision of respondent court dated October 9, 1954, which is supplementary to said order. While it is true that the names of respondents were included in the lists attached to the petitions for lay-off (Annexes C and D), it is equally true that the lay-off of said security guards, was not permanent but only temporary, conditioned as it was on the recall of the 19th BCT soldiers. The petition is not barred either by respondent court's order dated July 26, 1957 (Annex I). A perusal of said order, discloses that it was for reinstatement, in compliance with the decision of October 9, 1954, of some 18 security guards mentioned therein without, however, including respondents herein, who were not parties in that CIR Case No. 746-V (11). At the hearing of this petition (CIR Case No. 746-V [13]) respondents satisfactorily established the fact that they were never included or made parties in said CIR Case No. 746-V(11), which was initiated by the NARIC Workers Union on behalf of only 18 security guards.

Petitioner, lastly, claims that respondent court erred in not dismissing respondents' petition for reinstatement on the ground that it was filed out of time.

The claim cannot be sustained. The present action, it will be observed, is an action to enforce an agreement and decision still valid and subsisting at the time the petition was filed. In fact, there are still pending with respondent court cases involving CIR Case No, 746-V (the main case) for decision. In other words, the dispute between the parties in CIR Case No. 746-V has not as yet been terminated. As to the effectiveness of an award, order, or decision of respondent court the law is clear and explicit (Sec. 17, Com. Act No. 103, as amended). Our decision in the case of Katipunan Labor Union vs. Caltex (Philippines) Inc., et al. (G. R. No. L-10337, prom. May 27, 1957), is in point, on the question of whether the petition (Annexes C and D) were filed out of time. In said case, as in the instant case, (CIR Case No. 746-V[13]), the parties entered into an agreement respecting tenure of employment, among others. This was, in an order dated July 28, 1950, approved by respondent court. Five years later, or on August 1, 1955, a case incident to the main case was filed, involving the dismissal of an employee, contrary to the agreement. We gave due course to the case involving said dismissed employee, although it was filed 5 years after the approval of the agreement.

In the instant case, respondents' right to reinstatement arose when the 19th BCT soldiers were recalled on September 27, 1955. The petitions, for their reinstatement were filed on February 12 and 18, 1958. Pursuant to Section 17 of Commonwealth Act No. 103, as amended, and the pertinent facts in the cited case (Katipunan), respondents' petitions for reinstatement were not filed out of time.

Wherefore, finding no error in the order and resolution appealed from, the same are hereby affirmed, with costs

against the petitioner. So ordered.

Paras, C. J., Bengzon, Padilla, Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., and Gutierrez David, JJ.,
concur.

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