

MAGDALENA ESTATE, INC., WILLIAM A. YOTOKO AND FELIPE BENABAYE, PETITIONERS, VS. KAPISANAN NG MGA MANGGAGAWA SA MAGDALENA ESTATE, INC., RESPONDENT.

G.R. No. L-18336. May 31, 1963

Ponente: BARRERA, J.

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BARRERA, J.:

This is a petition to review on certiorari the resolution en banc of the Court of Industrial Relations dated February 14, 1961, in CIR Case No. 1616-ULP.

On June 6, 1958, Acting CIR Prosecutor Pedro M. Ligaya filed with the CIR, on behalf of respondent Kapisanan Ng Mga Manggagawa sa Magdalena Estate, Inc. (NAPLU), a complaint for unfair labor practice (docketed as Case No. 1616-ULP) against petitioners Magdalena Estate Inc., William A. Yotoko, and Felipe Benabaye, under Section 4(a), subsections 1, 4, 5 and 6, of Republic Act No. 875. In substance, said complaint alleged that petitioners locked-out the 66 members of respondent Union on November 25, 1957, resulting in the filing in the CIR of Case No. 1517-ULP; that thereafter because the workers were readmitted on December 9, 1957, the said Case No. 1517-ULP was dismissed at the instance of the Union; that shortly before December 25, 1957 the officers and agents of petitioner Corporation required the members of the Union to sign application form (Annex E of complaint), otherwise they would not receive Christmas bonus; that sometime on February 28, 1958 and thereafter, petitioner Corporation, by its officers and agents, again required and had been requiring the members of respondent Union to sign another application form (Annex F of complaint) under threat of dismissal, but they refused; that, as a consequence, on April 13, 1958, petitioner Corporation dismissed from employment the following officers and/or members of respondent Union, to wit: Buenaventura de la Cruz, Ramon Veloso, Potenciano Lerios, Serapio Gasigan, Nicolas Benigno, Manuel Orbien, Rosendo Manuel, Domingo Limbauan, Andres Mayuga, Amando Lozana, Nicasio Palogan, Roberto Lopez, Geronimo Gilliaco, Isidro Gatan, Antonio Tandaya, Candido Quilang, Eugenio Narabe, and Cenon Galvez, without just cause, because of their union affiliations and activities, due to their refusal to sign the application form (Annex F), and for having filed charges against the petitioners, as well as for being about to give testimonies in connection therewith; and that on March 6, 1958, another member of respondent Union (Nelson Helican) was unjustly dismissed from work for union membership.

Answering the amended complaint, petitioners specifically denied all the material allegations therein contained, but admitted that the laborers specified in Paragraph 13 of said complaint were in fact laid off on April 13, 1958, and the service of Nelson Helican was, likewise, terminated on March 6, 1958. As special defenses, petitioners contended that the controversy was submitted by respondent Union for conciliation to the Conciliation Service of the Department of Labor (Regional Office III), and while conferences were being held, the Union ceased attending them and its members resumed working after the overhauling and inventory of the equipment of petitioner Corporation, leaving the impression that the Union desisted from pursuing its demands; that Republic Act No. 875 does not require that the responsive reply of the employer to the proposals or demands of its

employees be in writing, consequently, the verbal replies of petitioners on October 24 and 29, 1957 and on November 19 and 26, 1957, constitute substantial compliance with the provisions of law on the matter; that respondent Union is not yet qualified to be the exclusive representative of all the employees and laborers in petitioner Corporation, for purposes of collective bargaining, because it has not been designated or selected by the majority of the employees, there having been no certification election; and that the members of respondent Union are employed in petitioner Corporation, as per agreement, on a day-to-day basis, and depending upon the needs and exigencies of the Road Department of petitioner Corporation and that the latter reserved the right to determine who and how many laborers will be hired to work in said department from day to day.

Issues having been joined, the case was heard and, thereafter, the CIR (on September 5, 1960), rendered a decision (thru Judge Arsenio Martinez) declaring petitioners guilty of unfair labor practice and directing them to cease and desist from further committing unfair labor practice acts, and to reinstate respondent Union members Candido Quilang, Buenaventura de la Cruz, Eugenio Narabe, and Nelson Helican to their former positions in the Roads Department of petitioners, with full back wages from April 13, 1958 (for Quilang, Cruz, and Narabe) and for March 6, 1958 (for Helican) up to their actual reinstatement, with all the rights, privileges, and benefits, including seniority appertaining thereto. The CIR also suggested that in case of an opening or when the exigencies of petitioners business requires additional laborers, the other 15 complainants-members of respondent Union who did not testify and prove their case be given the chance to work again with petitioner Corporation.

From this portion of the decision omitting the 15 complainants-members of the Union in the order of reinstatement, respondent Union filed a motion for reconsideration and, on March 27, 1961, the CIR in banc issued a resolution^[1] declaring that "there being substantial evidence of unfair labor practice committed against the fifteen employees, the affirmative action taken for said four (Quilang, Cruz, Narabe and Helican) should be applied to the fifteen, namely, reinstatement with back wages from April 13, 1958, until reinstated."

Dissatisfied with said resolution, petitioners filed with us the present petition for review.

Petitioners claim that the present case is not a class suit under Section 12, Rule IS, of the Rules of Court; hence, the relief granted to the 4 dismissed employees who appeared and testified may not be extended to the 15 others who did not appear and testify at the hearing of the case. Petitioners might be correct if this were an ordinary proceeding under the Rules of Court. But this is not, and, a-3 a rule, the CIR, in the hearing, investigation, and determination of any question or controversy and in exercising its duties and power under Commonwealth Act No. 103, "is not bound by any technical rules of evidence, but may inform its mind as it may deem just and equitable". Substantially, though not strictly, the complaint in the instant case complies with the requirements of a class suit under the Rules of Court. Note that, as the CIR correctly found the complaint was filed in the name of the respondent Union, and all the dismissed laborers, except Nelson Helican, are regular employees of the company and members of the Union. Said the CIR:

"1. The complaint was filed in the name of the Kapisanan ng mga Manggagawa sa Magdalena Estate (NAPLU);

"All the dismissed laborers involve in this case are members of the complainant union. Their membership was known to the respondents, through Exhibits '1-A' and '12' which, according to the company's counsel, Mr. Sarmiento, came to their possession in the later part of 1957;

"2. All the dismissed laborers, except Nelson Helican, are all regular employees of the company. The fifteen who did not testify are also regular employees, as could be seen from respondents' Exhibits '31', '31-A' to '31-III', where their periods of employment with the respondent are made to appear under the columns 'Experience', 'Employer', 'Position Held', and 'Salary'."

The causes of action are common to all the complainants, viz; the requirement to sign application forms which would place them under temporary basis; removable at pleasure of the company; their refusal to sign said applications; and their dismissal because of said refusal.

The subject matter of the complaint (namely, reinstatement with full back wages to their former positions) is a matter of general or common interest to all 19 dismissed employees.

Petitioners next contend that the CIR erred in finding that there is substantial evidence of unfair labor practice committed by petitioners against the 15 employees who did not appear and testify at the hearing of the case. The following factual findings of the CIR disclose, however, substantial evidence of unfair labor practice committed by petitioners against said employees-members of respondent Union:

"All these employees worked continuously for a long time. They were never required to sign any contract of employment. It was only on December 16, 1957, January 2 and February 28, 1958 that they were, required to sign application forms. By signing these contracts, they would be placed at the mercy of the company, because after the expiry date of said contracts, the respondents could dismiss them.

"After two years of employment, and after the company came to know of the existence of the union on November 10, 1957, the fifteen who did not testify were required to sign contract forms, the same contract required of the four who testified. The contract makes the employees temporary after they have worked for two years.

"As could be seen from respondents' Exhibit '33', '33-A' to '33-GGGG', the fifteen who did not testify did not sign the contract.

"Respondents' Exhibits '20', '20-A' to '20-K', show that on April 12, 1958, the fifteen who did not testify were given notices of separation and letters of dismissal like the four who testified.

"3. It is claimed that the dismissal was due to the retrenchment policy. This policy was implemented only in the Road Department in the early part of 1958, because that was the only department wherein a labor union existed. The fifteen dismissed laborers were working in that department."

"4. Respondents claim that all those dismissed laborers are inefficient and lazy. If this is true, why did the company send them separation notices when they could have discharged them without notices?

"Lastly, it must be noted in said letters of dismissal the company said: 'We thank you for your invaluable services and do not hesitate to approach us if you need reference in the future.' This expression of gratitude does not tally with the imputation of inefficiency, drunkenness, laziness, etc."

The case of *Dimayuga, et al. vs. CIR, et al.* (101 Phil., 590) cited by petitioners is not in point. Unlike the instant case which was filed in the Union's name for its dismissed members, the *Dimayuga* case was filed in petitioner's individual names as individual complainants. Secondly, the instant case is an unfair labor practice case, whereas the *Dimayuga* case is not. In the *Dimayuga* case, the CIR warned petitioners that unless they appear individually and testify to justify their respective claims, the same may be denied, whereas in the case at bar, there was no such warning and neither the court nor the petitioners asked that the 15 others give testimony. Lastly, in the instant case, the 4 dismissed employees testified not only on their behalves, but also on behalf of the other 15 who did not testify.

Petitioners also contend that the CIR erred in not considering their claim of a retrenchment policy, by reason of which, the 19 employees in question had to be dismissed. The claim is untenable, in the light of the factual finding of the CIR, to wit:

"3. It is claimed that the dismissal was due to the retrenchment policy. This policy was implemented only in

the Road Department in the early part of 1958, because that was the only department wherein a labor union existed. The fifteen dismissed laborers were working in that department."

Lastly, petitioners argue that the lower court erred in not considering the evidence on the cause of the dismissal of the 15 employees. There was actually no necessity for so doing on the part of the CIR, it having found substantial evidence of unfair labor practice against the other 15 dismissed employees from the testimony of the 4 employees who appeared and testified during the hearing of the case. To do so would have been a useless formality. Suffice it to say that, as the complaint alleged, all 19 employees were found to have been dismissed by petitioners due to "their union affiliation and activities, for their refusal to sign the application form Annex 'F', above referred to, and for having filed charges against the respondents (herein petitioners)."

IN VIEW OF THE FOREGOING, the resolution of the court a quo appealed from is hereby affirmed, with costs against petitioners.

IT IS SO ORDERED.

Bengzon, C. J., Padilla, Bautista Angelo, Concepcion, Reyes, J. B, L., Paredes, Dizon, Regala, and Makalintal, JJ., concur.

[1] A 3 against 2 resolution. Judges Villanueva and Bugayong concurred with the majority opinion of Presiding Judge Bautista; whereas Judge Martinez dissented in a separate opinion, with whom Judge Tabigne concurred.

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