

DEE CHO LUMBER WORKERS' UNION, (NLU), PETITIONER, VS. DEE CHO LUMBER COMPANY, RESPONDENT.

G. R. No. 10080. April 30, 1957

Ponente: ENDENCIA, J.

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ENDENCIA, J.:

On May 21, 1955, the petitioner filed with the Court of Industrial Relations a petition wherein it alleged that on February 12, 1949, petitioner entered into an agreement with respondent article II of which reads as follows:

"1. Each employee or laborer having at least one year of service is entitled to ten (10) days vacation leave with full pay per annum, and twelve (12) days sick leave with full pay per annum";

that the respondent violated such agreement by not giving to the petitioner ten days vacation leave for each year of service rendered up to February 12, 1955, that notwithstanding repeated demands the respondent failed to grant such vacation leave and, because of such failure, an industrial dispute arose between the respondent and its more than thirty employees affiliated with the petitioner, which dispute may likely cause a strike or lockout, and the petitioner consequently prayed the Court to take cognizance of the case and that, after due hearing, the respondent . be ordered to grant the ten days vacation leave to each employee for each year of service rendered up to February 12, 1955.

In its answer the respondent admitted the existence of the agreement mentioned in the complaint, but alleged that the ten-day vacation leave claimed by the members of the petitioner had already been paid and therefore the petition should be dismissed.

After due. hearing, Associate Judge Juan. L. Lanting dismissed the complaint, stating in his order:

"The present action seeks to enforce the provisions of a collective bargaining contract. Under Republic Act No, 875, this Court may consider such an agreement only in two cases: (1) when it is involved in an unfair labor practice case for violation of the duty to bargain collectively (section 4, sub-sections a(6) and b(3) in connection with, sections 13 (2nd paragraph); and (2) when in a representation proceeding¹ under section 12 of said Act for the purpose of determining the exclusive bargaining agent of the employees in the appropriate unit, the existence of a collective bargaining agreement is urged as a bar to such determination.

"Under the same Act, any grievance or question which may arise¹ from the enforcement of a collective bargaining agreement will have to be adjusted or settled by the machinery established by the parties in their agreement (section 16). In other words, the question of enforcement of a collective bargaining contract has been placed within the area of free collective bargaining or direct negotiation between the parties,

"It is to be noted that the respondent, by its answer, has impliedly manifested its willingness to submit to the jurisdiction of this Court in the present action. However, it is a settled rule that jurisdiction, whether general or special is never acquired by consent or submission thereto of the parties. (Tabada vs. Zanduetta, 47 Phil.. 859; Delizo vs. Santos,. 81 Phil., 361, 46 Off. Gaz., [1] 143),"

Upon being notified of the foregoing order, petitioner filed a motion for reconsideration and submitted it to the Court of Industrial Relations in bane pursuant to law, but the same was ruled by the majority of its judges against the petitioner, hence the present appeal by way of certiorari.

As correctly pointed out by petitioner, the question involved is only whether the Court of Industrial Relations possesses jurisdiction over the case which involves the enforcement of a collective bargaining contract. Petitioner contends that, in line with doctrine laid down by this Court in the Pambujan case, the Court of Industrial Relations has jurisdiction to take cognizance of the present case because, either under the provisions of Commonwealth Act 103 as amended or under the provisions of Republic Act 875, the said court can enforce a collective labor agreement. The respondent, in turn, claims that the Pambujan case cited and relied upon by the petitioner does not apply to the present case for two reasons: first, because that case has been decided by this Court under and by virtue of Commonwealth Act 103 when compulsory arbitration was still vested in the Court of Industrial Relations, although at the time it was decided, on May 12, 1954, the Industrial Peace Act (Republic Act 875) was already in effect; second, because in the Pambujan case there had been a willful breach on the part of the employer of the closed-shop agreement in that it employed non-union laborers without consulting the Union as agreed; whereas in the present case there has been no breach of contract and the respondent herein has been paying the vacation leave yearly .and religiously for six years under the honest belief that the contract in question should be interpreted prospectively and not retrospectively. Briefly, the respondent contends that the question raised by the petition filed by petitioner does not involve an unfair labor practice, but only the construction, of the contract which should be brought before the ordinary Court of First Instance.

Upon careful examination of the question raised in this appeal .and the arguments adduced by both parties, we find that the court below rightly dismissed the case, firstly, because the facts of the present case are completely different from those involved in the Pambujan case, and secondly, because the question raised in this case was squarely decided by us in the case of Philippine Association of Free Labor Unions (PAFLU) et al.; vs. Hon. Bienvenido Tan, (99 Phil., 854, 52 Off. Gaz., [13] 5836), wherein we held:

"It should be noted that prior to the approval of the Industrial Peace Act (Republic Act 875), the law that governed the jurisdiction of the Court of Industrial Relations over cases involving labor disputes is Commonwealth Act 103. This Act gave to that court broad, powers of compulsory arbitration on any matter involving a labor dispute. In fact, that Act gave the court 'jurisdiction over the entire Philippines, to consider, investigate, decide .and settle all questions, matters, controversies, or disputes arising between, and/or affecting employers and employees or laborers and landlords and tenants or farm-laborers, and regulate the relations 'between them' (section 1). In other words, that court could take cognizance' of any industrial or agricultural dispute causing or likely to cause a strike or lockout' with, the only limitation that the employees, laborers or tenants that may bring the matter to court exceed thirty in number (section A).

* * *

"But this broad jurisdiction was somewhat curtailed upon the' approval of Republic Act 875, the purpose being to limit it to certain specific cases, leaving the rest to the regular courts. Thus, as the law now stands, that .power is confined to the following cases: (1) when the labor dispute affects an industry which is indispensable to the national interest and is so certified by the President to the industrial court (section 10, Republic Act 875) ; (2) when the controversy refers to the minimum wage under the Minimum Wage Law (Republic Act 602); (3) when it involves hours of employment under the Eight-Hour Labor Law (Commonwealth Act 444); and (4) when it involves an unfair labor practice (section 5,.(ct), Republic Act 875). In all other cases, even if they grow out of a labor dispute, the Court of Industrial Relations does not have jurisdiction, the intendment of the law being 'to prevent undue restriction of free enterprise for capital and labor and to encourage the truly democratic method of regulating the relations between the employer and employee by means of an agreement freely entered into in collective bargaining' (section 7, Republic Act 875). In other words, the policy of the law

is to advance the settlement of disputes between the employers and the employees through collective bargaining, recognizing 'that real industrial peace cannot be achieved by compulsion of law' (Sec section 1 (c), in relation to section 20, *Idem.*).

"It therefore appears that with the exception of the four cases above specified the Court of Industrial Relations has no jurisdiction even if it involves a labor dispute. And as the issue involved in the instant case does not fall under, nor refer to, any of those specified cases, it follows that the lower court has jurisdiction to entertain the same."

Wherefore, finding no error in the order appealed from the same is hereby affirmed without costs.

Bengzon, Padilla, Montemayor, Reyes, A., Bautista Angelo, Labrador, Conception, and Felix, JJ., concur.

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