

## **H. E. HEACOCK CO., PETITIONER, VS. NATIONAL LABOR UNION, THE HONORABLE JOSE S. BAUTISTA, JUAN L. LANTING AND ARSENIO T. MARTINEZ, ALL JUDGES OF THE COURT OF INDUSTRIAL RELATIONS...**

*G. R. No. 11135. April 30, 1958*

Ponente: LABRADOR, J.

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### **LABRADOR, J.:**

This is a petition for certiorari against an order of the Court of Industrial Relations entered in Case No. 458—V (1), dated July 12, 1956, requiring petitioner herein H. E. Heacock Co. to pay bonuses to all its employees who have not received the same for the years 1950, 1951 and 1952, equivalent to three months salary. This order was issued after trial of a motion filed in the said court which, for convenience and exactness, is herein below reproduced:

"MOTION

"Comes now the petitioner, by the undersigned attorney, and to this Honorable Court, respectfully states:

"That on April 17, 1948, the respondent granted a bonus equivalent to one month's salary to all of its employees because of the profits that it had realized for the year 1947 ;

"That on the occasion of the distribution of the said bonus, the respondent told its employees that said bonus will be paid yearly if the company is making profits;

"That for the years 1950, 1951 and 1962, the company made plenty of profits, but instead of paying the bonus to all of its employees as it had promised, the respondent paid the same only to the high salaried officials of the company, thereby discriminating against its low salaried employees;

"That up to now, the respondent had not paid the bonus to the latter.

WHEREFORE, it is respectfully prayed of this Honorable Court that the respondent be ordered to pay the bonus to all of its employees who have not yet received the same corresponding to one month's salary for the year 1950, another one month's salary for the year 1951 and an additional one month's salary for the year 1952.

"Manila, May 9, 1953.

(Sgd.)EULOGIO R. LERUM

Attorney for the Petitioner

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The events leading to the presentation of the above motion may be briefly stated as follows: On June 26, 1950, the National Labor Union, respondent in this action for certiorari, filed a petition in Case No. 4S8—V of the Court of Industrial Relations, entitled "National Labor Union vs. H. E. Heacock Co."; alleging, that in the year 1948, the respondent had granted bonuses to its employees because of profits realized in the year 1947 and that on the

occasion of the distribution of the said bonuses the respondent then promised its employees the payment of said bonuses yearly if the company made profits; that the company realized profits in 1948, but had not paid the promised bonuses; that contrary to their bargaining agreement of April, 1949, the company refused to submit their dispute about bonus to the labor-management committee, that in May, 1950, the same demand for submission of the dispute to the same committee was made but again it was refused, so the employees of the petitioner declared strike; that the Department of Labor intervened in the dispute and upon its failure to settle the same, the matter was submitted for arbitration to the Court of Industrial Relations in June, 1950. After the hearing on this petition, the Court of Industrial Relations rendered a decision ordering respondent therein to pay bonuses equivalent to one month salary for the years 1948 and 1949. Decision in this case was rendered on April 3, 1951, and it was taken by certiorari to us and we decided it on July 31, 1954.

After the motion in the case at bar was presented (May 9, 1953) and while the original case involving bonuses for the years 1948 and 1949 were pending decision, Congress passed the Industrial Peace Act, but it was not approved till June 17, 1953.

The main issue presented to us in the petition for certiorari is, whether the Court of Industrial Relations has jurisdiction over the motion above quoted. It is claimed by the petitioner herein that the motion covers causes of action, distinct and separate from those covered by the original action, Case No. 458 (V), in the Court of Industrial Relations. This objection was presented before the lower court, but the same was overruled by it on the authority of the decisions rendered by us in *San Miguel Brewery, Inc. vs. Court of Industrial Relations*,<sup>[1]</sup>G. R. No. L-4634, prom. April 28, 1952, and *Manila Trading & Supply Company vs. Philippine Labor Union*,<sup>[2]</sup>40 Off. Gaz., 149. The first case cited, however, is not applicable to the case now before us, because it involves a previous order of the court suspending the dismissal, suspension, and transfer of employees during the pendency of the principal case, which was violated by the company. Neither is the second case applicable because the order enforced by subsequent motion was one directing the reinstatement of an employee, which reinstatement was ordered by the Supreme Court and because the reinstatement was the main issue involved in the main case.

From its very context it is evident that the motion which the court below considers merely as a continuation of the previous case is not actually a continuation thereof, because what is sought in the motion is the payment of the bonuses for the years 1950, 1951 and 1952, whereas the subject matter of the previous action was bonuses for the years 1948 and 1949 only. It is true that the right which is the basis of the payment of bonuses demanded in the motion now in question is the same as that which gives rise to the bonuses granted for the years 1947 and 1948. But the right to recover said bonuses for the years 1950, 1951 and 1952 depended in part upon whether or not the company realized profits during those years (not upon whether or not profits were made in the years 1947 and 1948). The right to enforce the claims arose only upon the actual making of the profits by the petitioner during the years 1950, 1951 and 1952. The record discloses that the petitioner and the respondent do not agree as to the amount of profits made during the different years in question, so issues of fact existed upon which trial was necessary.

It can also be seen that there is no allegation in the motion that a labor dispute causing or likely to cause a strike, or a possibility thereof is imminent or expected from the violation or failure of the petitioner to comply with its promise. The respondent, therefore, only seeks in the motion to assert money claims, based on an alleged promise made previously. This may have occasioned a labor dispute and a previous strike; but nowhere does it now appear that it has again produced a labor dispute, causing or likely to cause a strike or lockout. Under the circumstances, therefore, the motion does not fall within the jurisdiction of the Court of Industrial Relations. The law on the point is clear that the dispute must give rise to or probably cause a strike or lockout, in order that the Court of Industrial Relations may have jurisdiction to try the claims, thus:

"Sec. 4.—The Court shall take cognizance for purposes of prevention, arbitration, decision, and settlement, of any industrial (or agricultural) dispute causing or likely to cause a strike or lockout, arising from differences as regards wages, shares or compensation, dismissals, lay-offs, or suspensions of employees or laborers, (tenants or farm-laborers), hours of labor, or conditions of tenancy or employment, between employers and employees or laborers (and between landlords and tenants or farm-laborers), provided that the number of employees, laborers (or tenants or farm laborers) involved exceeds thirty, and such industrial (or agricultural) dispute is submitted to the Court by the Secretary of Labor, or by any or both of the parties to the controversy. \* \* \*." (Com. Act No. 103).

The certiorari is hereby granted, the order subject of the petition is hereby reversed and the motion dismissed, with costs against the respondent National Labor Union.

Paras, C. J., Bengzon, Reyes, A., Bautista Angelo, Concepcion, Reyes, J. B. L., Endencia, and Felix, JJ., concur.

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[1] 91 Phil., 179.

[2] 71 Phil., 678.

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