

**COMPLEX ELECTRONICS EMPLOYEES ASSOCIATION (CEEA)
REPRESENTED BY ITS UNION PRESIDENT CECILIA TALAVERA,
GEORGE ARSOLA, MARIO DIAGO AND SOCORRO BONCAYAO,
PETITIONERS, VS. THE NATIO...**

G.R. No. 121315. July 19, 1999

Ponente: KAPUNAN, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-121315/>

KAPUNAN, J.:

These consolidated cases filed by Complex Electronics Employees Association (G.R. No. 121315) and Complex Electronics Corporation (G.R. No. 122136) assail the Decision of the NLRC dated March 10, 1995 which set aside the Decision of the Labor Arbiter dated April 30, 1993.

The antecedents of the present petitions are as follows:

Complex Electronics Corporation (Complex) was engaged in the manufacture of electronic products. It was actually a subcontractor of electronic products where its customers gave their job orders, sent their own materials and consigned their equipment to it. The customers were foreign-based companies with different product lines and specifications requiring the employment of workers with specific skills for each product line. Thus, there was the AMS Line for the Adaptive Micro System, Inc., the Heril Line for Heril Co., Ltd., the Lite-On Line for the Lite-On Philippines Electronics Co., etc.

The rank and file workers of Complex were organized into a union known as the Complex Electronics Employees Association, herein referred to as the Union.

On March 4, 1992, Complex received a facsimile message from Lite-On Philippines Electronics Co., requiring it to lower its price by 10%. The full text reads as follows:

This is to inform your office that Taiwan required you to reduce your assembly cost since it is higher by 50 % and no longer competitive with that of mainland China. It is further instructed that Complex Price be patterned with that of other sources, which is 10% lower.

Please consider and give us your revised rates soon.[1]

Consequently, on March 9, 1992, a meeting was held between Complex and the personnel of the Lite-On Production Line. Complex informed its Lite-On personnel that such request of lowering their selling price by 10% was not feasible as they were already incurring losses at the present prices of their products. Under such circumstances, Complex regretfully informed the employees that it was left with no alternative but to close down the operations of the Lite-On Line. The company, however, promised that:

1)

Complex will follow the law by giving the people to be retrenched the necessary 1 month notice. Hence, retrenchment will not take place until after 1) month from March 09, 1992.

2)

The Company will try to prolong the work for as many people as possible for as long as it can by looking for job slots for them in another line if workload so allows and if their skills are compatible with the line requirement.

3)

The company will give the employees to be retrenched a retrenchment pay as provided for by law i.e. half a month for every year of service in accordance with Article 283 of the Labor Code of Philippines.[2]

The Union, on the other hand, pushed for a retrenchment pay equivalent to one (1) month salary for every year of service, which Complex refused.

On March 13, 1992, Complex filed a notice of closure of the Lite-On Line with the Department of Labor and Employment (DOLE) and the retrenchment of the ninety-seven (97) affected employees.[3]

On March 25, 1993, the Union filed a notice of strike with the National Conciliation and Mediation Board (NCMB).

Two days thereafter, or on March 27, 1993, the Union conducted a strike vote which resulted in a "yes" vote.

In the evening of April 6, 1992, the machinery, equipment and materials being used for production at Complex were pulled-out from the company premises and transferred to the premises of Ionics Circuit, Inc. (Ionics) at Cabuyao, Laguna. The following day, a total closure of company operation was effected at Complex.

A complaint was, thereafter, filed with the Labor Arbitration Branch of the NLRC for unfair labor practice, illegal closure/illegal lockout, money claims for vacation leave, sick leave, unpaid wages, 13th month pay, damages and attorney's fees. The Union alleged that the pull-out of the machinery, equipment and materials from the company premises, which resulted to the sudden closure of the company was in violation of Section 3 and 8, Rule XIII, Book V of the Labor Code of the Philippines[4] and the existing CBA. Ionics was impleaded as a party defendant because the officers and management personnel of Complex were also holding office at Ionics with Lawrence Qua as the President of both companies.

Complex, on the other hand, averred that since the time the Union filed its notice of strike, there was a significant decline in the quantity and quality of the products in all of the production lines. The delivery schedules were not met prompting the customers to lodge complaints against them. Fearful that the machinery, equipment and materials would be rendered inoperative and unproductive due to the impending strike of the workers, the customers ordered their pull-out and transfer to Ionics. Thus, Complex was compelled to cease operations.

Ionics contended that it was an entity separate and distinct from Complex and had been in existence since July 5, 1984 or eight (8) years before the labor dispute arose at Complex. Like Complex, it was also engaged in the semi-conductor business where the machinery, equipment and materials were consigned to them by their customers. While admitting that Lawrence Qua, the President of Complex was also the President of Ionics, the latter denied having Qua as their owner since he had no recorded subscription of P1,200,000.00 in Ionics as claimed by the Union. Ionics further argued that the hiring of some displaced workers of Complex was an exercise of management prerogatives. Likewise, the transfer of the machinery, equipment and materials from Complex was the decision of the owners who were common customers of Complex and Ionics.

On April 30, 1993, the Labor Arbiter rendered a decision the dispositive portion of which reads:

WHEREFORE, all the foregoing premises being considered, judgment is hereby rendered ordering the respondent Complex Electronics Corporation and/or Ionics Circuit Incorporated and/or Lawrence Qua, to reinstate the 531 above-listed employees to their former position with all the rights, privileges and benefits appertaining thereto, and to pay said complainants-employees the aggregate backwages amounting P26,949,891.80 as of April 6, 1993 and to such further backwages until their actual reinstatement. In the event reinstatement is no longer feasible for reasons not attributable to the complainants, said respondents are also liable to pay complainants-employees their separation pay to be computed at the rate of one (1) month pay for every year of service, a fraction of at least six (6) months to be considered as one whole year.

Further, the aforementioned three (3) respondents are hereby ordered to pay jointly and solidarily the complainants-employees an aggregate moral damages in the amount of P1,062,000.00 and exemplary damages in the aggregate sum of P531,000.00.

And finally, said respondents are ordered to pay attorney's fees equivalent to ten percent (10%) of whatever has been adjudicated herein in favor of the complainants.

The charge of slowdown strike filed by respondent Complex against the union is hereby dismissed for lack of merit.

SO ORDERED.[5]

Separate appeals were filed by Complex, Ionics and Lawrence Qua before the respondent NLRC which rendered the questioned decision on March 10, 1995, the decretal portion of which states:

WHEREFORE, premises considered, the assailed decision is hereby ordered vacated and set aside, and a new one entered ordering respondent Complex Electronics Corporation to pay 531 complainants equivalent to one month pay in lieu of notice and separation pay equivalent to one month pay for every year of service and a fraction of six months considered as one whole year.

Respondents Ionics Circuit Incorporated and Lawrence Qua are hereby ordered excluded as parties solidarily liable with Complex Electronics Corporation.

The award of moral damages is likewise deleted for lack of merit.

Respondent Complex, however, is hereby ordered to pay attorney's fees equivalent to ten (10%) percent of the total amount of award granted the complainants.

SO ORDERED.[6]

Complex, Ionics and the Union filed their motions for reconsideration of the above decision which were denied by the respondent NLRC in an Order dated July 11, 1995.[7]

Hence these petitions.

In G.R. No. 121315, petitioner Complex Electronics Employees Association asseverates that the respondent NLRC erred when it:

I

SET ASIDE THE DECISION DATED APRIL 30, 1993 ISSUED BY THE HON. LABOR ARBITER JOSE DE VERA.

II

EXCLUDED PRIVATE RESPONDENTS IONICS CIRCUITS, INCORPORATED AND LAWRENCE QUA AS PARTIES SOLIDARILY LIABLE WITH COMPLEX ELECTRONICS CORPORATION.

III

FOUND THAT COMPLEX ELECTRONICS CORPORATION WAS NOT GUILTY OF ILLEGAL CLOSURE AND ILLEGAL DISMISSAL OF THE PETITIONERS.

IV

REMOVED THE AWARD FOR BACKWAGES, REINSTATEMENT AND DAMAGES IN THE DECISION DATED APRIL 30, 1993 ISSUED BY THE HON. LABOR ARBITER JOSE DE VERA.[8]

On the other hand, in G.R. No. 122136, petitioner Complex Electronics Corporation raised the following issues, to wit:

I

PUBLIC RESPONDENT NLRC ACTED IN GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF OR IN EXCESS OF JURISDICTION IN PROMULGATING ITS DECISION AND ORDER DATED 10 MARCH 1995, AND 11 JULY 1995, RESPECTIVELY, THE SAME BEING IN CONTRAVENTION OF THE EXPRESS MANDATE OF THE LAW GOVERNING THE PAYMENT OF ONE MONTH PAY IN LIEU OF NOTICE, SEPARATION PAY AND ATTORNEY'S FEES.

II

THERE IS NO APPEAL, NOR ANY PLAIN, SPEEDY AND ADEQUATE REMEDY IN THE ORDINARY COURSE OF LAW.[9]

On December 23, 1996, the Union filed a motion for consolidation of G.R. No. 122136 with G.R. No. 121315.[10] The motion was granted by this Court in a Resolution dated June 23, 1997.[11]

On November 10, 1997, the Union presented additional documentary evidence which consisted of a newspaper clipping in the Manila Bulletin, dated August 18, 1997 bearing the picture of Lawrence Qua with the following inscription:

RECERTIFICATION. The Cabuyao (Laguna) operation of Ionic Circuits, Inc. consisting of plants 2, 3, 4 and 5 was recertified to ISO 9002 as electronics contract manufacturer by the TUV, a rating firm with headquarters in Munich, Germany. Lawrence Qua, Ionics president and chief executive officer, holds the plaque of recertification presented by Gunther Theisz (3rd from left), regional manager of TUV Products Services Asia during ceremonies held at Sta. Elena Golf Club. This is the first of its kind in the country that four plants were certified at the same time.[12]

The Union claimed that the said clipping showed that both corporations, Ionics and Complex are one and the same.

In answer to this allegation, Ionics explained that the photo which appeared at the Manila Bulletin issue of August 18, 1997 pertained only to respondent Ionics' recertification of ISO 9002. There was no mention about Complex Electronics Corporation. Ionics claimed that a mere photo is insufficient to conclude that Ionics and Complex are one and the same.[13]

We shall first delve on the issues raised by the petitioner Union.

The Union anchors its position on the fact that Lawrence Qua is both the president of Complex and Ionics and that both companies have the same set of Board of Directors. It claims that business has not ceased at Complex but was merely transferred to Ionics, a runaway shop. To prove that Ionics was just a runaway shop, petitioner asserts that out of the 80,000 shares comprising the increased capital stock of Ionics, it was Complex that owns majority of said shares with P1,200,000.00 as its capital subscription and P448,000.00 as its paid up investment, compared to P800,000.00 subscription and P324,560.00 paid-up owing to the other stockholders, combined. Thus, according

to the Union, there is a clear ground to pierce the veil of corporate fiction.

The Union further posits that there was an illegal lockout/illegal dismissal considering that as of March 11, 1992, the company had a gross sales of P61,967,559 from a capitalization of P1,500,000.00. It even ranked number thirty among the top fifty corporations in Muntinlupa. Complex, therefore, cannot claim that it was losing in its business which necessitated its closure.

With regards to Lawrence Qua, petitioner maintains that he should be made personally liable to the Union since he was the principal player in the closure of the company, not to mention the clandestine and surreptitious manner in which such closure was carried out, without regard to their right to due process.

The Union's contentions are untenable.

A "runaway shop" is defined as an industrial plant moved by its owners from one location to another to escape union labor regulations or state laws, but the term is also used to describe a plant removed to a new location in order to discriminate against employees at the old plant because of their union activities.[14] It is one wherein the employer moves its business to another location or it temporarily closes its business for anti-union purposes.[15] A "runaway shop" in this sense, is a relocation motivated by anti-union animus rather than for business reasons. In this case, however, Ionics was not set up merely for the purpose of transferring the business of Complex. At the time the labor dispute arose at Complex, Ionics was already existing as an independent company. As earlier mentioned, it has been in existence since July 5, 1984. It cannot, therefore, be said that the temporary closure in Complex and its subsequent transfer of business to Ionics was for anti-union purposes. The Union failed to show that the primary reason for the closure of the establishment was due to the union activities of the employees.

The mere fact that one or more corporations are owned or controlled by the same or single stockholder is not a sufficient ground for disregarding separate corporate personalities. Thus, in *Indophil Textile Mill Workers Union vs. Calica*,[16] we ruled that:

[I]n the case at bar, petitioner seeks to pierce the veil of corporate entity of Acrylic, alleging that the creation of the corporation is a devise to evade the application of the CBA between petitioner Union and private respondent company. While we do not discount the possibility of the similarities of the businesses of private respondent and Acrylic, neither are we inclined to apply the doctrine invoked by petitioner in granting the relief sought. The fact that the businesses of private respondent and Acrylic are related, that some of the employees of the private respondent are the same persons manning and providing for auxiliary services to the units of Acrylic, and that the physical plants, offices and facilities are situated in the same compound, it is our considered opinion that these facts are not sufficient to justify the piercing of the corporate veil of Acrylic.

Likewise, in *Del Rosario vs. National Labor Relations Commission*,[17] the Court stated that substantial identity of the incorporators of two corporations does not necessarily imply that there was fraud committed to justify piercing the veil of corporate fiction.

In the recent case of *Santos vs. National Labor Relations Commission*,[18] we also ruled that:

The basic rule is still that which can be deduced from the Court's pronouncement in *Sunio vs. National Labor Relations Commission*, thus:

xxx.. Mere ownership by a single stockholder or by another corporation of all or nearly all of the capital stock of a corporation is not of itself sufficient ground for disregarding the separate corporate personality.

Ionics may be engaged in the same business as that of Complex, but this fact alone is not enough reason to pierce the veil of corporate fiction of the corporation. Well-settled is the rule that a corporation has a personality separate and distinct from that of its officers and stockholders. This fiction of corporate entity can only be disregarded in

certain cases such as when it is used to defeat public convenience, justify wrong, protect fraud, or defend crime.[19] To disregard said separate juridical personality of a corporation, the wrongdoing must be clearly and convincingly established.[20]

As to the additional documentary evidence which consisted of a newspaper clipping filed by petitioner Union, we agree with respondent Ionics that the photo/newspaper clipping itself does not prove that Ionics and Complex are one and the same entity. The photo/newspaper clipping merely showed that some plants of Ionics were recertified to ISO 9002 and does not show that there is a relation between Complex and Ionics except for the fact that Lawrence Qua was also the president of Ionics. However, as we have stated above, the mere fact that both of the corporations have the same president is not in itself sufficient to pierce the veil of corporate fiction of the two corporations.

We, likewise, disagree with the Union that there was in this case an illegal lockout/illegal dismissal. Lockout is the temporary refusal of employer to furnish work as a result of an industrial or labor dispute.[21] It may be manifested by the employer's act of excluding employees who are union members.[22] In the present case, there was a complete cessation of the business operations at Complex not because of the labor dispute. It should be recalled that, before the labor dispute, Complex had already informed the employees that they would be closing the Lite-On Line. The employees, however, demanded for a separation pay equivalent to one (1) month salary for every year of service which Complex refused to give. When Complex filed a notice of closure of its Lite-On Line, the employees filed a notice of strike which greatly alarmed the customers of Complex and this led to the pull-out of their equipment, machinery and materials from Complex. Thus, without the much needed equipment, Complex was unable to continue its business. It was left with no other choice except to shut down the entire business. The closure, therefore, was not motivated by the union activities of the employees, but rather by necessity since it can no longer engage in production without the much needed materials, equipment and machinery. We quote with approval the findings of the respondent NLRC on this matter:

At first glance after reading the decision a quo, it would seem that the closure of respondent's operation is not justified. However, a deeper examination of the records along with the evidence, would show that the closure, although it was done abruptly as there was no compliance with the 30-day prior notice requirement, said closure was not intended to circumvent the provisions of the Labor Code on termination of employment. The closure of operation by Complex on April 7, 1992 was not without valid reasons. Customers of respondent alarmed by the pending labor dispute and the imminent strike to be foisted by the union, as shown by their strike vote, directed respondent Complex to pull-out its equipment, machinery and materials to other safe bonded warehouse. Respondent being mere consignees of the equipment, machinery and materials were without any recourse but to oblige the customers' directive. The pull-out was effected on April 6, 1992. We can see here that Complex's action, standing alone, will not result in illegal closure that would cause the illegal dismissal of the complainant workers. Hence, the Labor Arbiter's conclusion that since there were only two (2) of respondent's customers who have expressed pull-out of business from respondent Complex while most of the customer's have not and, therefore, it is not justified to close operation cannot be upheld. The determination to cease operation is a prerogative of management that is usually not interfered with by the State as no employer can be required to continue operating at a loss simply to maintain the workers in employment. That would be taking of property without due process of law which the employer has the right to resist. (Columbia Development Corp. vs. Minister of Labor and Employment, 146 SCRA 42)

As to the claim of petitioner Union that Complex was gaining profit, the financial statements for the years 1990, 1991 and 1992 issued by the auditing and accounting firm Sycip, Gorres and Velayo readily show that Complex was indeed continuously experiencing deficit and losses.[23] Nonetheless, whether or not Complex was incurring great losses, it is still one of the management's prerogative to close down its business as long as it is done in good faith. Thus, in *Catatista et al., vs. NLRC and Victorias Milling Co., Inc.*[24] we ruled:

In any case, Article 283 of the Labor Code is clear that an employer may close or cease his business operations or undertaking even if he is not suffering from serious business losses or financial reverses, as long as he pays his employees their termination pay in the amount corresponding to their length of service. It would indeed, be stretching the intent and spirit of the law if we were to unjustly interfere in management's prerogative to close or cease its business operations just because said business operations or undertaking is not suffering from any loss.

Going now to the issue of personal liability of Lawrence Qua, it is settled that in the absence of malice or bad faith, a stockholder or an officer of a corporation cannot be made personally liable for corporate liabilities.[25] In the present case, while it may be true that the equipment, materials and machinery were pulled-out of Complex and transferred to Ionics during the night, their action was sufficiently explained by Lawrence Qua in his Comment to the petition filed by the Union. We quote:

The fact that the pull-out of the machinery, equipment and materials was effected during nighttime is not per se an indicia of bad faith on the part of respondent Qua since he had no other recourse, and the same was dictated by the prevailing mood of unrest as the laborers were already vandalizing the equipment, bent on picketing the company premises and threats to lock out the company officers were being made. Such acts of respondent Qua were, in fact, made pursuant to the demands of Complex's customers who were already alarmed by the pending labor dispute and imminent strike to be stage by the laborers, to have their equipment, machinery and materials pull out of Complex. As such, these acts were merely done pursuant to his official functions and were not, in any way, made with evident bad faith.[26]

We perceive no intention on the part of Lawrence Qua and the other officers of Complex to defraud the employees and the Union. They were compelled to act upon the instructions of their customers who were the real owners of the equipment, materials and machinery. The prevailing labor unrest permeating within the premises of Complex left the officers with no other choice but to pull them out of Complex at night to prevent their destruction. Thus, we see no reason to declare Lawrence Qua personally liable to the Union.

Anent the award of damages, we are inclined to agree with the NLRC that there is no basis for such award. We again quote the respondent NLRC with favor:

By and large, we cannot hold respondents guilty of unfair labor practice as found by the Labor Arbiter since the closure of operation of Complex was not established by strong evidence that the purpose of said closure was to interfere with the employees' right to self-organization and collective bargaining. As very clearly established, the closure was triggered by the customers' pull-out of their equipment, machinery and materials, who were alarmed by the pending labor dispute and the imminent strike by the union, and as a protection to their interest pulled-out of business from Complex who had no recourse but to cease operation to prevent further losses. The indiscretion committed by the Union in filing the notice of strike, which to our mind is not the proper remedy to question the amount of benefits due the complainants who will be retrenched at the closure of the Lite-On Line, gave a wrong signal to customers of Complex, which consequently resulted in the loss of employment of not only a few but to all the of the workers. It may be worth saying that the right to strike should only be a remedy of last resort and must not be used as a show of force against the employer.[27]

We shall now go to the issues raised by Complex in G.R. No. 122136.

Complex claims that the respondent NLRC erred in ordering them to pay the Union one (1) month pay as indemnity for failure to give notice to its employees at least thirty (30) days before such closure since it was quite clear that the employees were notified of the impending closure of the Lite-On Line as early as March 9, 1992. Moreover, the abrupt cessation of operations was brought about by the sudden pull-out of the customers which rendered it impossible for Complex to observe the required thirty (30) days notice.

Article 283 of the Labor Code provides that:

ART. 283. Closure of establishment and reduction of personnel.-- The employer may also terminate the employment of any employee due to the installation of labor saving devices, redundancy, retrenchment to prevent losses or the closing or cessation of operation of the establishment or undertaking unless the closing is for the purpose of circumventing the provisions of this Title, by serving a written notice on the workers and the Ministry of Labor and Employment at least one (1) month before the intended date thereof. x x x. (Underlining ours.)

The purpose of the notice requirement is to enable the proper authorities to determine after hearing whether such closure is being done in good faith, i.e., for bona fide business reasons, or whether, to the contrary, the closure is being resorted to as a means of evading compliance with the just obligations of the employer to the employees affected.[28]

While the law acknowledges the management prerogative of closing the business, it does not, however, allow the business establishment to disregard the requirements of the law. The case of *Magnolia Dairy Products v. NLRC*[29] is quite emphatic about this:

The law authorizes an employer, like the herein petitioners, to terminate the employment of any employee due to the installation of labor saving devices. The installation of these devices is a management prerogative, and the courts will not interfere with its exercise in the absence of abuse of discretion, arbitrariness, or maliciousness on the part of management, as in this case. Nonetheless, this did not excuse petitioner from complying with the required written notice to the employee and to the Department of Labor and Employment (DOLE) at least one month before the intended date of termination. This procedure enables an employee to contest the reality or good faith character of the asserted ground for the termination of his services before the DOLE.

The failure of petitioner to serve the written notice to private respondent and to the DOLE, however, does not ipso facto make private respondent's termination from service illegal so as to entitle her to reinstatement and payment of backwages. If at all, her termination from service is merely defective because it was not tainted with bad faith or arbitrariness and was due to a valid cause.

The well settled rule is that the employer shall be sanctioned for non-compliance with the requirements of, or for failure to observe due process in terminating from service its employee. In *Wenphil Corp. v. NLRC*, we sanctioned the employer for this failure by ordering it to indemnify the employee the amount of P1,000.00. Similarly, we imposed the same amount as indemnification in *Rubberworld (Phils.), Inc. v. NLRC*, and, *Aurelio v. NLRC* and *Alhambra Industries, Inc. v. NLRC*. Subsequently, the sum of P5,000.00 was awarded to an employee in *Worldwide Papermills, Inc. v. NLRC*, and P2,000.00 in *Sebuguero, et al., v. NLRC, et al.* Recently, the sum of P5,000.00 was again imposed as indemnify against the employer. We see no valid and cogent reason why petitioner should not be likewise sanctioned for its failure to serve the mandatory written notice. Under the attendant facts, we find the amount of P5,000.00, to be just and reasonable.

We, therefore, find no grave abuse of discretion on the part of the NLRC in ordering Complex to pay one (1) month salary by way of indemnity. It must be borne in mind that what is at stake is the means of livelihood of the workers so they are at least entitled to be formally informed of the management decisions regarding their employment.[30]

Complex, likewise, maintains that it is not liable for the payment of separation pay since Article 283 of the Labor Code awards separation pay only in cases of closure not due to serious business reversals. In this case, the closure of Complex was brought about by the losses being suffered by the corporation.

We disagree.

Article 283 further provides:

x x x. In case of termination due to the installation of labor saving devices or redundancy, the worker affected thereby shall be entitled to a separation pay equivalent to at least his one (1) month pay or to at least one (1) month pay for every year of service, whichever is higher. In case of retrenchment to prevent losses and in case of cessation of operations of establishment or undertaking not due to serious business losses or financial reverses, the separation pay shall be equivalent to one (1) month pay or at least one-half (1/2) month pay for every year of service, whichever is higher. A fraction of at least six (6) months shall be considered one (1) whole year.

It is settled that in case of closures or cessation of operation of business establishments not due to serious business losses or financial reverses,[31] the employees are always given separation benefits.

In the instant case, notwithstanding the financial losses suffered by Complex, such was, however, not the main reason for its closure. Complex admitted in its petition that the main reason for the cessation of the operations was the pull-out of the materials, equipment and machinery from the premises of the corporation as dictated by its customers. It was actually still capable of continuing the business but opted to close down to prevent further losses. Under the facts and circumstances of the case, we find no grave abuse of discretion on the part of the public respondent in awarding the employees one (1) month pay for every year of service as termination pay.

WHEREFORE, premises considered, the assailed decision of the NLRC is AFFIRMED.

SO ORDERED.

Davide, Jr., C.J. (Chairman), Melo, Pardo, and Ynares-Santiago, JJ., concur.

[1] Rollo, of G.R. No. 122636, p. 270.

[2] Id., at 271.

[3] NLRC Decision dated March 10, 1995, rollo of G.R. No. 121315, p. 78.

[4] Sec. 3. Notice of strike or lockout.-- In cases of bargaining deadlocks, a notice of strike or lockout shall be filed with the regional branch of the Board at least thirty (30) days before the intended date thereof, a copy of said notice having been served on the other party concerned. In case of unfair labor practices, the period of notice shall be fifteen (15) days. However, in case of unfair labor practice involving the dismissal from employment of union officers duly elected in accordance with the union constitution and by-laws which may constitute union-busting where the existence of the union is threatened, the fifteen-day cooling-off period shall not apply and the union may take action immediately after the strike vote is conducted and the results thereof submitted to the Department of Labor and Employment.

Sec. 8. Declaration of strike and lockout.-- Should the dispute remain unsettled after the lapse of the requisite number of days from the filing of the notice of strike or lockout and the results of the election required in the preceding section, the labor union may strike or the employer may lockout its workers. The regional branch or the Board shall continue mediating and conciliating.

[5] Rollo of G.R. 121315, pp. 72-73.

[6] Id., at 99-100.

[7] Id., at 102-106.

[8]Id., at 31.

[9] Rollo of G.R. No. 122136, p. 21.

[10] Rollo of G.R. 121315, pp. 273-274.

[11] Rollo of G.R. No. 122136, p. 597.

[12] Rollo of G.R. No. 121315, pp. 383-386.

[13]Id., at 287-291.

[14] See *Textile Workers Union v. Darlington Mfg. Co.*, 380 US 263, 12 L Ed. 2d 827, 85, S Ct 994.

[15]William P. Statsky, *WEST'S LEGAL THESAURUS/Dictionary*, Special Deluxe Edition, p. 671.

[16] 205 SCRA 697 [1992].

[17] 187 SCRA 777 [1990].

[18] 254 SCRA 673 [1996].

[19] *Concept Builders, Inc. v. National Labor Relations Commission*, 257 SCRA 149 [1996]; *Philippine International Bank v. Court of Appeals*, 252 SCRA 259 [1996]; *Yu v. National Labor Relations Commission*, 245 SCRA 134 [1995].

[20] *Matuguina Integrated Wood Products, Inc. v. Court of Appeals*, 263 SCRA 490 [1996].

[21]Art. 212 (p), *LABOR CODE OF THE PHILIPPINES*.

[22] *Sta. Mesa Slipways & Engineering Co. v. CIR*, 48 O.G. 3353, as cited in II C.A. Azucena, *THE LABOR CODE WITH COMMENTS AND CASES*, Revised 1993 Ed., p.296.

[23] *Records* pp. 427-434.

[24]247 SCRA 46 [1995].

[25]*AHS/Philippines, Inc. vs. Court of Appeals*, 257 SCRA 319 [1996].

[26]Rollo of G.R. No. 121315, p. 182.

[27] *Id.*, at. 97-98.

[28]*Coca Cola Bottlers (Phils.), Inc. v. NLRC*, 194 SCRA 592 [1991].

[29] 252 SCRA 483 [1996].

[30] *PAL v. NLRC*, 225 SCRA 301 [1993].

[31]*North Davao Mining Corp. vs. NLRC*, 254 SCRA 721, [1996]; See also: *State Investment House, Inc. vs. court of Appeals*, 206 SCRA 348, [1992]; *Mindanao Terminal and Brokerage Service, Inc. vs. The Hon. Minister of Labor and Employment*, 238 SCRA 77, [1994].

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.