

UNIVERSITY OF SAN AGUSTIN, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS, ET AL., RESPONDENTS.

G.R. No. 12222. May 28, 1958

Ponente: BAUTISTA ANGELO, J.

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BAUTISTA ANGELO, J.:

This is a petition for review of an order of the Court of Industrial Relations dated January 2, 1957 and its resolution dated March 5, 1957 declaring that it has jurisdiction over the controversy and ordering that it be referred to the Prosecution Division of said Court in order that the preliminary investigation required by law may be conducted.

The petition stems from a complaint for unfair labor practice filed by the Philippine Association of College and University Professors against the University of San Agustin before the industrial court. Upon being required to answer, respondent denied the charge of unfair labor practice and at the same time disputed the jurisdiction of the court over the parties and over the subject-matter. Trial was held before a hearing examiner without prejudice to deciding the legal questions raised by respondent, and in the course of the trial, respondent raised an additional legal point, to wit: that the court could not go on with the trial because of lack of previous preliminary investigation required by law. But the trial continued and thereafter the case was submitted to the court for decision. On January 2, 1957, his honor, Judge Jose. S. Bautista, issued an order holding that, while the court could not hold the trial of the case without the requisite preliminary investigation, it has however jurisdiction over the controversy because he "is of the opinion that industrial employment is not a basic criterion in determining its jurisdiction in an unfair labor practice charge." He therefore ordered that the case be endorsed to the Prosecution Division of the Court for such preliminary investigation. This order was affirmed by the court en banc, with Judge Lanting taking no part and Judge Martinez concurring in the result. Hence the present petition for review.

It appears that the University of San Agustin, petitioner herein, is an educational institution conducted and managed by a "religious non-stock corporation duly organized and existing under the laws of the Philippines." It was organized not for profit or gain or division of the dividends among its stockholders, but solely for religious and educational purposes. It likewise appears that the Philippine Association of College and University Professors, respondent herein, is a non-stock association composed of professors and teachers in different colleges and universities and that since its organization two years ago, the university has adopted a hostile attitude to its formation and has tried to discriminate, harass and intimidate its members for which reason the association and the members affected filed the unfair labor practice complaint which initiated this proceeding. To the complaint of unfair labor practice, petitioner filed an answer wherein it disputed the jurisdiction of the Court of Industrial Relations over the controversy on the following grounds:

"(a) That complainants therein being college and/or university professors were not 'industrial' laborers or employees, and the Philippine Association of College and University Professors being composed of persons engaged in the teaching profession, is not and cannot be a legitimate labor organization within the meaning of the laws creating the Court of Industrial Relations and defining its powers and functions;

"(b) That the University of San Agustin, respondent therein, is not an institution established for the purpose of gain or division of profits, and consequently, it is not an 'industrial' enterprise and the members of its teaching staff are not engaged in 'industrial' employment (U.S.T. Hospital Employees Association vs. Sto Tomas University Hospital, 95 Phil. 40; and San Beda College vs. Court of Industrial Relations and National Labor Union, 97 Phil., 787, 29 October 1955; 51 Off. Gaz., (Nov. 1955) (5636-5640); and

"(c) That, as a necessary consequence, the alleged controversy between therein complainants and respondent is not an 'industrial' dispute, and the Court of Industrial Relations has no jurisdiction, not only on the parties but also over the subject matter of the complaint."

The issue now before us is: Since the University of San Agustin is not an institution established for profit or gain, nor an industrial enterprise, but one established exclusively for educational purposes, can it be said that its relation with its professors is one of employer and employee that comes under the jurisdiction of the Court of Industrial Relations? In other words, do the provisions of the Magna Carta on unfair labor practice apply to the relation between petitioner and members of respondent association?

The issue is not new. Thus, in the case of *Boy Scouts of the Philippines vs. Juliana V. Araos*, (102 Phil., 1080), promulgated on January 29, 1958, this Court, speaking thru Mr. Justice Montemayor, answered the query in the negative in the following wise:

"The main issue involved in the present case is whether or not a charitable institution or one organized not for profit but for more elevated purposes, charitable humanitarian, etc., like the Boy Scouts of the Philippines is included in the definition of 'employer' contained in Republic Act 875, and whether the employees of said institution fall under the definition of 'employee' also contained in the same Republic Act. If they are included, then any act which may be considered unfair labor practice, within the meaning of said Republic Act, would come under the jurisdiction of the Court of Industrial Relations; but if they do not fall within the scope of said Republic Act, particularly, its definitions of employer and employee, then the Industrial Court would have no jurisdiction at all.

* * * * *

"On the basis of the foregoing considerations, there is every reason to believe that our labor legislation from Commonwealth Act No. 103, creating the Court of Industrial Relation, down through the Eight Hour Labor Law, to the Industrial Peace Act, was intended by the Legislature to apply only to industrial employment and to govern the relations between employers engaged in industry and occupations for purposes of profit and gain, and their industrial employees, but not to organizations and entities which are organized, operated, and maintained not for profit or gain, but for elevated and lofty purposes, such as, charity, social service, education and instruction, hospital and medical service, the encouragement and promotion of character, patriotism and kindred virtues in the youth of the nation, etc.

"In conclusion, we find and hold that Republic Act No. 875, particularly, that portion thereof regarding labor disputes and unfair labor practice, does not apply to the Boy Scouts of the Philippines, and consequently, the Court of Industrial Relations had no jurisdiction to entertain and decide the action or petition filed by respondent Araos. Wherefore, the appealed decision and resolution of the CIR are hereby set aside, with costs against respondent."

There being a close analogy between the relation and facts involved in the two cases, we cannot but conclude that the Court of Industrial Relations has no jurisdiction to entertain the complaint for unfair labor practices lodged by respondent association against petitioner and, therefore, we hereby set aside the order and resolution subject of the present petition, with costs against respondent association.

Paras, C.J., Bengzon, Montemayor, Reyes, A., Labrador, and Felix, JJ., concur.

DISSENTING

REYES, J.B.L., J.,

I dissent for the reasons expressed in the dissenting opinion in *Boy Scouts of the Philippines vs. J. V. Araos*, 102 Phil., 1080.

Concepcion, J., concurs in the foregoing dissent.

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