

PAGKAKAISA SAMAHANG MANGGAGAWA NG SAN MIGUEL BREWERY AT MGA KASANGAY (PAFLU), PETITIONERS, VS. THE HONORABLE JUAN P. ENRIQUEZ, ETC., ET AL., RESPONDENTS.

G.R. No. 12999. July 26, 1960

Ponente: MONTEMAYOR, J.

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MONTEMAYOR, J.:

This is a petition filed by Pagkakaisa Samahang Manggagawa Ng San Miguel Brewery at Mga Kasañgay (PAFLU), later referred to as Pagkakaisa (PAFLU), against Judge Juan P. Enriquez, Nagkakaisa Union Ng Manggagawa ng San Miguel Brewery at Mga Kasañgay, Jose Capino Santos, Alberto Ignacio, and others, for certiorari with preliminary injunction to declare respondent Judge Juan P. Enriquez without jurisdiction, to enjoin him from enforcing his decision dated September 9, 1957, the dispositive portion of which reads:

"Wherefore, let a writ of permanent injunction be issued in this case enjoining the respondent San Miguel Brewery, Inc., from making any further deductions from the salaries of the workers of the petitioners in favor of its co-respondent 'Pagkakaisa Samahang Manggagawa ng San Miguel Brewery at Mga Kasañgay' (PAFLU). All deductions heretofore made by respondent San Miguel Brewery, Inc., from the salaries of the workers of petitioners are ordered returned to the persons or workers from whom the same had been taken or deducted." (Annex I)

and to restrain him from entertaining any ancillary proceedings which may be filed thereunder.

At first, this tribunal dismissed the petition for lack of adequate allegations, but after an amended petition was filed, the resolution of dismissal was reconsidered and the amended petition was given due course (Resolution of November 15, 1957). A writ of preliminary injunction was subsequently issued, ordering the trial court to desist from entertaining any ancillary proceedings which may be filed under the original case.

While still affiliated with the Federacion del Trabajo de Filipinas, Pagkakaisa Samahang Manggagawa ng San Miguel Brewery, at Mga Kasañgay, a duly registered labor union, secured a collective bargaining agreement with respondent San Miguel Brewery, Inc., later referred to as the Company. Later, it seceded from the Federacion and affiliated itself to the Philippine Association of Free Labor Unions (PAFLU) and became known as Pagkakaisa Samahang Manggagawa ng San Miguel Brewery (PAFLU). On August 6, 1956, it obtained an amendatory bargaining agreement with the Company, which among others provides:

"Sec. 2. The Company will make payroll deductions of dues and assessment of members of the union, provided that no deductions shall be made hereunder except as permitted by law in pursuance of an authorization signed by the individual worker in the form heretofore agreed to by the parties. * * *" (Quoted from Decision, Annex I)

Thereafter, Pagkakaisa (PAFLU) prepared a check-off authorization form, effective for a period of one year or until the expiration of the collective bargaining agreement, whichever came later, without any specification as to the amount to be deducted. The check-off authorization reads:

"Commencing this _____ day of _____, 1956, I authorize the company of which I am an employee, the San Miguel Brewery, Inc., to deduct from my salary every payday, the sum required to be collected from me by the 'Samahang Manggagawa ng San Miguel Brewery at mga Kasangay'—PAFLU—of which I am a member, including donations for deceased, pensioned, or laid off members, general fund, office fund, union hand-outs, or whatever may be required to be collected by our union at a general meeting or stated in the By-laws of the union.

"If, for any reason whatsoever, any employer is unable to effect collection, I hereby also authorize the deduction of the necessary amount on the following payday. I agree that this authorization will be effective without change for a period of one year from this day, or until the expiration of the present collective bargaining agreement entered into by the management of my employer, the San Miguel Brewery, and the acknowledged representative of our union, or whichever comes later.

"This authority and notice will continue to have force and effect from year to year after the date above specified and will continue without change in the coming years, except should I desire to change the same by means of a formal letter, within fifteen (15) days before the expiration of this authorization.

"This authority repeals all other authorizations I previously consent to with reference to collections, to be made from me by the union." (p. 6, Annex C)

The forms were distributed among all the employees within the 17 plants of the Company. Some of the employees refused to sign the authorization form while others signed the same. When Pagkakaisa (PAFLU) presented the form to the Company, the latter refused to entertain the same, claiming that the irrevocability clause contained therein was illegal and unenforceable.

Meanwhile, many of those who originally signed the check-off authorization, numbering about 500, notified the Company in writing that they were revoking their authorization. The form of said revocation of authorization reads:

"The Management
San Miguel Brewery, Inc.
Manila

"(Thru the President and the Treasurer, Pagkakaisa Samahang Manggagawa ng San Miguel Brewery at mga Kasangay)

"Dear Sirs:

"I, the undersigned, of the _____ SMB, and member of the 'Pagkakaisa Samahang Manggagawa San Miguel Brewery at Mga Kasañgay', do hereby respectfully request to revoke and declare null and void any individual authority given to the Management of this Company to deduct all such sums of money from my salary such as Union Quota, Salaries of top officials of the Union, etc., with the exception of other dues that were previously collected. The main reason was that I was unable to have the full scrutiny and thorough appraisal of the contents and meaning of the said statements of the authority signed by me.

"In the interest of justice and freedom of association guaranteed by our Constitution I pray that this request be given due consideration.

"Early compliance with this request will be highly appreciated, I remain."

Sometime in November, 1956, those employees who refused to sign the check-off authorization, as well as those who revoked their authorization, formed the respondent union, Nagkakaisa Union ng Manggagawa ng San Miguel Brewery at mga Kasañgay (FTF), later referred to as Nagkakaisa (PTF), which was registered with the Department of Labor on December 7, 1956.

Because the Company refused to honor the check-off authorization and withheld some collections already made pursuant thereto, the Pagkakaisa (PAFLU) filed against the Company a petition for declaratory relief with the Court of Industrial Relations (CIR) on November 26, 1956, to determine the right of Pagkakaisa (PAFLU) to compel the company to make the deductions. The CIR, presided by Judge Martinez, declared itself without jurisdiction to take cognizance of the case; but upon the agreement of the Pagkakaisa (PAFLU) and the company (the latter waiving its jurisdictional objection), Judge Martinez consented to act as arbitrator, this by his order of March 6, 1957. Later, on March 9, 1957, he issued an order in his supposed capacity as an arbitrator, holding that "the effectivity of check-off provisions in collective bargaining agreements should be no less than one year from the time of the execution of said agreements, or beyond the termination of the latter, whichever occurs the sooner." The dispositive part of his order reads:

"Wherefore, it is hereby declared that notwithstanding the revocation made by the employees of the respondent Company who have authorized the petitioner union for the checking-off of both the regular membership dues and other assessments, the check-off provisions contained in the 'Collective Bargaining Agreement' entered into by and between the parties in this case on August 6, 1956 is still existing, with full force and effect up to the time of its expiration date. Consequently, the money that has been withheld by virtue of the revocation should be turned over to the union."

The reason in support of the view taken by Judge Martinez is contained in the following paragraph of his order:

"It is an admitted maxim that any contract of agency is revocable and any power of attorney for that matter is likewise revocable. It would not, however, be in consonance with the spirit of Industrial Peace should a matter of this kind just be set aside after the members of a union should come out to undo what at the beginning they voluntarily committed themselves to do. Change of affiliation or of membership and/or refusal to pay union dues to the union for one reason or another does not augur well for healthy unionism, in any sense of the word. An obligation to the State in the form of taxes is no more sacred and wholesome as dues are to the union. By all means, this Court should strive to indoctrinate to the union members their obligation to pay union dues especially after their union has done its level best, to do what the members expect to be done. To me, the obligation of the members in the case at bar has become a lien more so, if they have already received parts of the benefits earned for them by the union. There cannot be any worse undertaking for workers than to accept the benefits from the toils of the union and deny it the very means necessary for its existence. This, it is believed, is more fundamental than what the union would profit from the contribution itself."

Upon receipt of the above-mentioned order, the Company advised each of the employees who had revoked their authorization that it would comply with the said order. The advice reads as follows:

"Please be informed that by order of Judge Arsenio Martinez of the Court of Industrial Relations dated March 9, 1957, in Pagkakaisa Samahang Manggagawa ng San Miguel Brewery at mga Kasañgay versus San Miguel Brewery, Inc. Case No. 1040-V (CIR) submitted for arbitration to the aforesaid Court, this Company has been required to give effect to check-off authorizations with an irrevocability clause. Therefore, we regret to advise that we are compelled to disregard the revocation, which you submitted subsequently.

"Consequently, commencing March 31 and on every payday thereafter until expiration of your original authorization to check-off, we shall deduct from your salary in favor of the union such amounts as are required to be withheld in accordance with such authorizations."

Because of the insistence of the Company in making the deductions, herein respondents Jose Capino Santos, Alberto Ignacio, Cristino Ballesteros, Gregorio Sayo, and Prospero Aguilucho, allegedly in representation of 500 other interested employees, affected by the deductions, and their labor union, Nagkakaisa (FTF), filed a petition against the Company and the Pagkakaisa (PAFLU) for a writ of permanent injunction, with the Court of First Instance of Manila, presided by herein respondent Judge Juan P. Enriquez, to restrain the Company from making

any deductions on their salaries in favor of the Pagkakaisa (PAFLU). In their petition, they claimed that the authorization previously signed by them while still members of the predecessor of Pagkakaisa (PAFLU), namely Pagkakaisa Samahang Manggagawa ng San Miguel Brewery at mga Kasañgay (Federacion del Trabajo de Filipinas), had already been revoked by them when they disaffiliated with or were considered separated from Pagkakaisa (PAFLU), and since they were already members of the Nagkakaisa (FTF), they were no longer under any obligation to pay dues to the Pagkakaisa (PAFLU). On the other hand, Pagkakaisa (PAFLU) in its answer invoked the irrevocability of the check-off authorization which had already been favorably indorsed by the CIR through Judge Martinez, and that the said CIR having first acquired jurisdiction over the subject matter involved, all other actions pertaining thereto should be brought before said court (CIR); and that the petition for injunction in effect was an attempt to modify or set aside the order of the CIR.

After hearing, the Court of First Instance of Manila held that the order of Judge Martinez, acting as arbitrator, could not bind the members of the Nagkakaisa (FTF), specifically, those who prior to said decision had separated from the Pagkakaisa (PAFLU) and revoked the check-off authorization signed by them, as well as the former members of the Pagkakaisa (PAFLU) who refused or failed to sign any check-off authorization, on the ground that they were not parties to the arbitration agreement.

Petitioner Pagkakaisa (PAFLU) filed a motion for reconsideration of the decision of Judge Enriquez, but said motion for reconsideration was denied for failure to set the same for hearing as required by the rules of court and to serve copy thereof to the other party, he calling it "a mere scrap of paper".

Petitioner Pagkakaisa (PAFLU) contends that:

- "(1) That respondent judge acted in excess of his jurisdiction in entertaining the petition and proceeding with the case where the Court of Industrial Relations under an arbitration contract first acquired jurisdiction.
- (2) That the respondent judge's decision has rendered nugatory and ineffective the award made by Judge Arsenio Martinez in his capacity as arbitrator; and
- (3) That there is no appeal or any plain speedy and adequate remedy in the ordinary course of the law from the said decision except by petition for certiorari."

The claim of petitioner that respondent Judge should not have entertained the petition for permanent injunction for the reason that the Industrial Court had first acquired jurisdiction over the case, and therefore it excluded the jurisdiction of other courts, particularly, the court presided by respondent Judge, is untenable. According to the very record of the case, the Industrial Court never acquired jurisdiction and as a matter of fact, it declared itself without jurisdiction, but that Judge Martinez supposedly took up the case and decided it as a mere arbitrator. This appears in his first order of March 6, 1957:

"After a careful study and mature consideration of the respective contention of the parties anent the questions at issue, this Court is of the opinion and so holds that it is without jurisdiction on the instant petition filed in this case.

"However, it appearing from the record that both parties are agreed to have this Court act and proceed as an arbitrator in resolving the second issue above-mentioned, on the basis of the facts set forth in their respective pleadings and the arguments given in support thereto, and believing that it would be more in consonance with the declared policy in the Magna Carta of Labor to avoid or minimize differences which arise between the parties to collective bargaining, the same will be undertaken. * * "

It is therefore clear that it was Judge Martinez who took up the case and assumed jurisdiction over it and not the Industrial Court which declared itself to be without jurisdiction, this assuming that Judge Martinez himself could

act as he supposedly did act as arbitrator.

The whole theory of and case for the petitioner Pagkakaisa (PAFLU) would appear to be vulnerable in several respects. Even assuming for a moment that the irrevocability of the authorization signed by the respondents-laborers and employees for check-off within a period of one year is valid, a point which we do not now decide, it seems that said authorization to deduct from their pay and wages was good only as long as they remained members of the union Pagkakaisa (PAFLU), because as such members, they were supposed to pay dues and assessments to the Union. However, the moment that they separated from and left that union and joined another labor organization, then they were no longer obliged to pay said dues and assessments; naturally, there would no longer be any reason or occasion for the Company to continue making deductions.

It would appear that a member of a labor union may leave and cancel his membership with the same at any time. When a laborer or employee joins a labor union, he does not make any commitment or assume an undertaking to continue his membership therein for any fixed period of time, much less indefinitely. In this respect, he is a free agent. It may be that his separation from the union will not and could not affect any bargaining agreement entered into by the union and management while he was a member of said union, as to working conditions, wages, privileges, etc.; but as to his right to separate from a labor union and join another, it seems there can be no question. In the present case, since there was a rule or practice of petitioner Pagkakaisa (PAFLU) that those members of the union who refused to sign the authorization for check-off and, naturally, those who signed the authorization but later cancelled or revoked the same, were considered automatically expelled from the union. So, petitioners even assuming that they did not of their own volition leave the petitioner Pagkakaisa (PAFLU) to join respondent union Nagkakaisa (FTF), as they did, they automatically ceased to be members of the former. And being no longer members, they were not obliged to continue paying dues and assessments, and as a result, the Company could no longer make deductions of said dues and assessments from their wages.

Another point of vulnerability is that we are not sure that Judge Martinez who issued the order of March 9, 1957 was fully authorized to entertain, hear and decide the case as an arbitrator and that the order or decision rendered by him was valid and effective. Republic Act No. 876 regarding arbitration requires that the parties to an arbitration must enter into a written contract or agreement signed by them to submit their case to arbitration and designate the arbitrator or arbitrators. It is not shown that said requirement of the law had been complied with. It would appear that the Arbitration Law, Republic Act No. 876, contemplates persons, not courts, to act as arbitrators. However, from the heading and title of the order issued by Judge Martinez, it seems that he acted as a Judge of the Court of Industrial Relations, at least he signed the order as Associate Judge, and the case is numbered as a case of the Industrial Court. And yet, as already stated, the CIR itself, thru Judge Martinez disclaimed jurisdiction.

Again Section 23 of the Arbitration Law provides for the confirmation of the award given by an arbitrator within one month after said award was made, by the court having jurisdiction. It does not appear that the order or award by Judge Martinez was ever confirmed by a competent court. Still another point of vulnerability of the theory or case of petitioner is that the respondents laborers and employees of the Company who had revoked their authorization for check-off were never made parties to the case of declaratory relief submitted to and decided by Judge Martinez as arbitrator, this despite the fact that they were vitally interested in and affected by the result of said case. Not being parties thereto, they could not be bound by the order or award. How could the order or award declare that despite the revocation of the authorization for check-off, the latter was still valid and that the Company could continue making deductions of the dues and assessments from the wages of the respondents-laborers and employees when the latter were not parties to the case and were given no opportunity to be heard and so, were not bound by the said award?

"bb. Strangers or Third Persons

"Arbitrators have no power to direct things to be done which require the consent or action of strangers to the arbitration proceedings.

"Since the arbitrators have no power over strangers to the submission, they usually cannot direct things to be done which require action or consent on the part of strangers." (6 C. J. S. p. 225)

In his decision, Judge Enriquez found that under the constitution and by-laws of Pagkakaisa (PAFLU), any member who shall join any other organization of workers in the San Miguel Brewery, Inc. shall be deemed automatically separated from the union from the date of his affiliation with such other organization. So, he held that under the provision of the said constitution and by-laws, the members of Pagkakaisa (PAFLU) who affiliated themselves with the Nagkakaisa (FTF) since November 1956, were no longer members of the former, some four months before the decision of Judge Martinez was handed down. Naturally, no longer being members of Pagkakaisa (PAFLU), they did not have to pay any dues or assessments to it, and deductions of said dues and assessments from their salaries should not be made.

As to the reason why Jose Capino Santos, Alberto Ignacio and 500 others revoked their authorization for the check-off, Judge Enriquez in his decision found that:

"The constitution and by-laws, Exhibit Q, of the Pagkakaisa, provides for the collection from each member of P1.20 every six months, or a total of P240 every year, which was to be given to the mother union, the Federacion del Trabajo de Filipinas and that the officers would not receive compensation; however, after obtaining the amendatory agreement, the officers and directors of the Pagkakaisa (PAFLU) in violation of the constitution required the members to pay the sum of P2.00 each every fifteen days or P48.00 yearly, part of which was payable to PAFLU and the rest to defray the salaries of the president, secretary and treasurer of the union who then went, and are still, on leave."

Under the circumstances, was a member of the Pagkakaisa (PAFLU) who signed the authorization form prepared by the said union, which form did not state the amount of dues and assessments to be paid either monthly or yearly, but which he understood from the constitution and by-laws to be only P2.40 a year, justified in revoking said authorization when learning later that said dues had been increased to P48.00 a year, without his knowledge or consent? At least Judge Enriquez thought so.

The foregoing are some of the reasons and considerations which would and could militate against the granting of the present petition for certiorari seeking to annul the decision of respondent Judge. However, the majority of the members of this Tribunal preferred and have decided to deny the present petition on the grounds, first, the failure of petitioner to give an opportunity to the respondent Judge to correct any error he may have committed in his decision, by filing a valid motion for reconsideration. True, petitioner filed a motion for reconsideration before respondent Judge, but the latter refused to entertain it, called it a mere scrap of paper for not complying with the legal requisites, and denied it, and petitioner instead of correcting its error and filing another and proper motion for reconsideration, came directly to us on certiorari.

"Moreover, the error, if in truth it was one, perhaps might have been corrected by a motion for reconsideration, even after the denial of petitioner's motion for a new trial, if the latter had so desired; but the fact remains that he did not avail himself of said remedy. He did not follow what this court said in the case of *Herrera vs. Barretto and Joaquin* (25 Phil., 245). It was stated in said case and reiterated in *Uy Chu vs. Imperial and Uy Du* (44 Phil., 27), that a writ of certiorari will not issue unless the error or irregularity complained of has been brought to the attention of the inferior court through a motion for reconsideration." (*Vicencio vs. Sison*, 62 Phil., 300, 306).

Second, because there was an adequate remedy or relief which was by appeal.

"This remedy, by its very nature, lies only when, the necessary facts warranting it being present, an appeal is not available because such remedy does not lie, or does not exist, or is not permitted by law, nor is there any other speedy and adequate remedy. (Sections 217 and 514, Act No. 190; In re Prautch, 1 Phil., 132; Arzadon vs. Chanco and Balduega, 14 Phil., 710; De Cacho and Morales vs. Justice of the Peace of Bocaue, 33 Phil., 595; Mayol vs. Blanco, 61 Phil., 647; etc)" (Vicencio vs. Sison, supra).

In view of the foregoing, the petition is hereby denied, with costs against petitioned. The writ of injunction heretofore issued is dissolved.

Paras, C. J., Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Endencia, and Gutierrez David, JJ., concur.

Barrera, J., concurs in the result.

Bengzon and Padilla, JJ., took no part.

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