

NATIONAL WATERWORKS AND SEWERAGE AUTHORITY, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS, ET AL., RESPONDENTS.

G.R. No. 13161. February 25, 1960

Ponente: BAUTISTA ANGELO, J.

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BAUTISTA ANGELO, J.:

On February 14, 1957, Cesar Cabrera and seventy-one (71) other employees of the former Metropolitan Water District, filed with the Court of Industrial Relations a motion praying for the execution of an award contained in a resolution issued by said Court on November 25, 1950 in Case No. 349-V granting an increase of P0.50 per day to all employees of the Metropolitan Water District and alleging that pursuant to said award the Metropolitan Water District paid to said employees the salary increase granted therein, but that in November, 1953 the Metropolitan Water District stopped paying the salary increase for which reason they prayed that an order be issued directing the said district to pay them the salary increase from the time that it was stopped designating an examiner of the court to make a computation of the amounts to which they are entitled.

On March 11, 1957, the National Waterworks and Sewerage Authority (NAWASA,) which succeeded the Metropolitan Water District, filed an opposition to the motion contending that there is no award to be executed because the same has already been terminated pursuant to the provisions of Section 17 of Commonwealth Act No. 103, as amended. The NAWASA alleged that, the award made by the Court of Industrial Relations on November 25, 1950 not having specified the time during which it should be valid and effective, it gave notice of its termination on December 29, 1953 to said court in Case No. 359-V furnishing a copy thereof to the union with which the movants were affiliated.

On July 19, 1957, the Court of Industrial Relations issued an order stating that the award contained in its resolution of November 25, 1950 could not have been terminated by merely serving a notice of termination on the part of the NAWASA even if the same does not specify the time during which it shall be effective because the approval of the court was still necessary for its validity, and since no approval has been obtained, the award is still valid and effective. Wherefore, the court directed its examiner to compute the amounts to which the movants were entitled by way of salary increase. The NAWASA filed a motion for reconsideration, and when the same was denied, it interposed the present petition for review.

The background which gave rise to the incident subject of the present petition for review may be stated as follows: The Metropolitan Water District Workers' Union filed with the predecessor of the NAWASA (Metropolitan Water District) a set of demands one of which was the reallocation and arrangement of the salaries and wages of its employees and laborers in accordance with the standardized plan prepared by the union. The parties tried to reach an amicable settlement but failed, whereupon the members of the union went on strike on October 18, 1949. Without delay, the Court of Industrial Relations intervened summoning the representatives of both employer and employees to a conference during which it was agreed to grant a general increase of P0.50 a

day effective October 21, 1949 to all laborers on the daily basis and to those employees who are on the monthly basis but are on strike. This agreement was reduced to writing and was approved on October 20, 1949. It was expressly stated therein that the agreement was temporary in nature and would only remain in force until the court fixes the reasonable and just compensation to which the strikers were entitled. Immediately after the execution of said agreement, the court proceeded to receive evidence on the strength of which it handed down an order on June 13, 1950 adopting a new scale for wages. Neither of the parties was satisfied and both moved for a reconsideration. The result was the order issued on November 25, 1950, which amends the previous order in a manner more favorable and acceptable to the employees.

It would therefore appear that the award contained in the order of November 25, 1950 which grants to the employees of the NAWASA the salary increase of P0.50 a day was not the result of a compromise arrived at between the parties but rather it was fixed by the Court of Industrial Relations as the reasonable increase to which the employees and laborers were entitled after a mature study and consideration of the evidence submitted by the parties at the hearing set by the court for the purpose. The question that now arises is: Can the NAWASA terminate the effectivity of the award by simply giving notice thereof to the court and to the union under Section 17 of Commonwealth Act No. 103?

Said Section 17 provides:

"An award, order or decision of the Court shall be valid and effective during the time therein specified. In the absence of such specification, any party or parties to a controversy may terminate the effectiveness of an award, order or decision after three years have elapsed from the date of said award, order or decision by giving notice to that effect to the Court."

Since the award did not specify the time during which it shall be valid and effective, considering that it was not the result of a compromise arrived at between the parties, it is the theory of petitioner that it can terminate the same by giving notice to the court after the lapse of three years from the date of the award. Here this period has already elapsed, and so petitioner contends that the notice given by it of its termination was in accordance with law. The Court of Industrial Relations disagrees with this theory, for it is of the opinion that before said notice of termination could have any validity, it first needs the sanction of the court. On this point, it made the following comment: "The Court maintains the policy that Section 17 of Commonwealth Act No. 103, as amended, could not be mechanically invoked nor availed of by the party by refusing to comply with such award through the sending of a notice of termination. In the interest of justice and equity, the Court maintains the policy that all cases of termination of award, order, or decision, it must be properly heard in order that the laborers or the parties could not be deprived arbitrarily of their lawful earning."

The foregoing interpretation of the law is correct. Since an award is made as a result of a controversy and is binding upon both parties, it would appear logical that its effectivity cannot be terminated ex parte unless the period of its duration is specified therein. The reason is obvious: since the award is made in favor of the employee, it is but fair and just that he be heard before his right thereto is terminated, otherwise the employer might act arbitrarily or to his prejudice. That is why the law requires that notice of termination be given to the court. This requirement is not merely pro forma. This is to give the court the right to intervene in order that the interest of labor may not be jeopardized.

Wherefore, petition is dismissed, without pronouncement as to costs.

Paras, C. J., Labrador, Concepcion, Reyes, J. B. L., Endencia, Barrera and Gutierrez David, JJ., concur.
Bengzon, Padilla and Montemayor, JJ., took no part.

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