

**ALHAMBRA CIGAR & CIGARETTE MANUFACTURING COMPANY
AND KAPISANAN NG MANGGAGAWA SA ALHAMBRA (FOITAF),
PETITIONERS, VS. ALHAMBRA EMPLOYEES’ ASSOCIATION
(PAFLU), RESPONDENT.**

G.R. No. 13573. February 20, 1960

Ponente: BARRERA, J.

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BARRERA, J.:

This is a petition to review on certiorari the order of the Court of Industrial Relations (in Case No. 392-MC) dated December 12, 1956, and its resolution en banc of December 27, 1957.

Respondent Alhambra Employees' Association (PAFLU) filed with the above-mentioned court a petition, which was later amended, praying that it be certified as the sole and exclusive bargaining agent for all the employees, 82 in number, in the administrative, sales, engineering, and dispensary departments of petitioner Alhambra Cigar & Cigarette Manufacturing Company. Petitioner company, later joined by the co-petitioner Kapisanan Ng Manggagawa sa Alhambra (FOITAF), as Intervenor, opposed the petition, on the ground that there was in force an existing collective bargaining agreement covering ail the workers of the company, signed by the latter and Intervenor union.

The case was referred to Hearing Examiner Antonio P. Amistad who, on November 19, 1956, submitted his report to the court, which reads as follows:

REPORT

"This concerns an amended petition filed by the Alhambra Employees' Association (PAFLU), a legitimate labor organization, in which it is prayed that said union be certified as the sole and exclusive bargaining agent for all the employees paid either on the monthly, daily or commission basis in the administrative, sales, engineering and dispensary departments of the Alhambra Cigar and Cigarette Manufacturing Company, a business concern existing under and by virtue of the laws of the Philippines, engaged in the manufacture of cigars and cigarettes, with postal address at 31 Tayuman Street, Tondo, Manila.

"The petition is opposed by the Company and another legitimate labor organization, the Federacion Obrera de la Industria Tabaquera de Filipinas (FOITAF). The opposition is based principally on two grounds, namely, that the appropriate collective bargaining unit is the employer unit not the smaller unit sought by petitioner and that there is an existing collective bargaining agreement between the company and the FOITAF which constitutes a bar to the instant certification proceeding.

"The first issue to be resolved by the Court concerns the composition of the appropriate unit. The petitioner contends that all the employees paid on the monthly, daily or commission basis in the administrative, sales, engineering, and dispensary departments constitute an appropriate unit, while both the company and the FOITAF maintain that the appropriate unit is the employer unit. While the two contending unions as well as the company were agreed that confidential employees should be excluded, they could not agree on the

exclusion or inclusion of the technical employees. The FOITAF'S stand is that technical employees should also be excluded, while the petitioner favors their inclusion. The company on the other hand, manifested that it did not care whether the technical employees are included or not in the bargaining unit.

"The evidence shows that there are eight departments existing in the company, namely, the administrative department, manlalasi or raw leaf department, cigar department, cigarette department, engineering department and garage, precinteria department, dispensary, and sales department.

"In the manlalasi or raw leaf department, the work consists mainly of classifying the tobacco leaves removing the middle ribs from them. The cigar and cigarette departments are engaged in producing cigars and cigarettes while the packing of the finished products is done in the precinteria department. The work in the engineering department and garage is devoted to operation of the machines and the maintenance of the machineries, buildings, garage as well as all the vehicles used by the company. The employees in the sales department are engaged in selling the products of the company and they perform their duties outside the factory premises. The dispensary department consists of one doctor and two nurses. In the administrative department are found the office personnel, watchmen, porters and cleaners.

"Judging from the nature of the work performed in the different departments', the workers in the manlalasi, cigar, cigarette, precinteria and engineering, departments may be considered as production and maintenance employees because they are engaged directly in producing the manufactured products of the company and in operating and maintaining its machines, buildings and vehicles.

"On the other hand the employees in the administrative, sales and dispensary departments are engaged in an entirely different kind of work which does not involve production and maintenance and the places where they work are separate from those of the workers in the other departments. It can be said therefore that they have a community of interest among themselves which is entirely separate and distinct from the production and maintenance employees. That paramount consideration has led the undersigned to conclude that all the employees in the administrative, sales and dispensary departments constitute an appropriate collective bargaining unit subject to the exclusions which are discussed hereinbelow. However, petitioner's contention that the employees in the engineering department and garage should also be included in said unit is without merit. As pointed out earlier, the workers in said department are maintenance employees and for purposes of collective bargaining it is the better policy to group together production and maintenance employees.

"The second issue which was raised in this case is whether or not the collective bargaining agreement entered into between the company and the FOITAF constitutes a bar to the instant proceeding. Said agreement, marked as Exh. '3-Alhambra', Exh. (S-Petitioner', and Exh. '1-Intervenor', was entered into on Aug. 18, 1954 and it was stipulated that the agreement would be effective until June 30, 1955. The effectivity was extended to June 30, 1957, pursuant to a subsequent agreement entered into on Feb. 24, 1955. (Exh. '3-A Alhambra, Exh. ('T-Petitioner', and Exh. '2-Intervenor')

"After a close examination of the agreement in question, the undersigned notes that in so far as the fixing of the terms and conditions of employment is concerned it did not expressly cover the employees in the administrative, dispensary and sales departments. As a matter of fact, the recognition clause states that the FOITAF was acting in representation of all the laborers of the "ALHAMBRA' and certainly it can not be said that all the employees in the administrative, dispensary and sales departments are laborers'. Furthermore, almost all the persons referred to with definite particularity in paragraph 6 of the agreement (Exh. '3-Alhambra'.) are those working in the production and maintenance departments. The same observation applies to the two subsequent agreements marked as Exh. '3-A Alhambra' and Exh. '3-R Alhambra'. It was only in the agreement entered into on June 25, 1956 (Exh. '3-C Alhambra', Exh. 'V-Petitioner', and Exh. '4-Intervenor') that employees in the administrative department were specifically covered. The coverage, however, was extended only to the security guards. Under the premises, the undersigned is of the opinion that the interests of the employees in the administrative, dispensary, and sales departments with the exception of the

security guards are not adequately protected in the collective bargaining agreement between the company and the FOITAF and said agreement therefore could not be validly invoked as a bar to the instant proceeding.

"The evidence also shows that there are 45 employees in the administrative department, 3 in the dispensary, and 19 in the sales department so that all in all there are 67 employees in said departments. The evidence for the company shows that the watchmen and porters in the administrative department numbering 16 in all are security guards. (See Exh. '3-C Alhambra'). Following established recedents of this Court, these security guards should be excluded from the bargaining unit sought to be represented by the petitioner. In the sales department there are 2 sales supervisors, who should also be excluded pursuant to a specific provision of Rep. Act No. 875. Although it was agreed upon by all the parties that confidential employees should also be excluded, the evidence does not indicate the particular employees whose positions are confidential. Excluding the 16 security guards and 2 sales supervisors, there are 49 employees who are eligible for inclusion in the appropriate unit in this case.

"The evidence also conclusively shows that 23 employees in the administrative department, 2 in the dispensary, and 16 in the sales department or a total of 41 are members of the petitioning union. There is no question therefore that said union has been duly selected or designated as the exclusive representative for collective bargaining purposes by the majority of the employees in an appropriate unit.

"In view of all the foregoing, it is respectfully recommended that the Alhambra Employees Association (PAFLU) be certified as the exclusive bargaining representative of all the employees in the administrative, dispensary and sales departments of the" Alhambra Cigar and Cigarette Manufacturing Company with the exception of supervisors, security guards and confidential employees." (Italics supplied.)

On December 12, 1958, the court, by a vote of three to one, with one abstention, adopted the above-quoted report in toto, in its order which, in part, states:

"The foregoing report has been, found to be completely in accordance with the evidence and the entire record of the case, and the conclusions therein contained are hereby adopted in toto.

"Wherefore, and as recommended by the Hearing Examiner, the Alhambra Employees' Association (PAFLU) is hereby certified as the exclusive collective bargaining representative of all the employees in the administrative, dispensary, and sales departments of the Alhambra Cigar and Cigarette Manufacturing Company with the exception of supervisors, security guards and confidential employees. So ordered."

Their motions for reconsideration of the foregoing order having been denied, the Company and FOITAF filed the present petition for review.

Petitioners claim that the lower court erred (1) in holding that all the employees in the administrative, sales, and dispensary departments of petitioner company, with the exception of the supervisors, security guards, and confidential employees therein, constitute an appropriate separate collective bargaining unit; (2) in holding that the collective bargaining agreement between petitioner company and petitioner labor union (FOITAF) did not cover said employees; and (3) in including in said independent unit the physician and two nurses composing the dispensary department.

- In arriving at the conclusion that all the employees in the administrative, sales, and dispensary departments of the company, with the exception of the supervisor, security guards, and confidential employees therein, constitute an appropriate collective bargaining unit, the lower court considered the fact that said employees are engaged in "an entirely different kind of work" which does not involve production and maintenance, and the additional fact that the places where they work are separate from those of the workers in the other departments of the company.

We find no reason to disturb said finding of the lower court. There can hardly be any doubt that, since said

employees in the administrative, sales, and dispensary departments perform work which have nothing to do with production and maintenance, unlike those in the raw leaf (manlalasi), cigar, cigarette, packing (precinteria), and engineering and garage departments whose functions involve production and maintenance, they have a community of interest which justifies their formation or existence as a separate appropriate collective bargaining unit. (II Teller, Labor Disputes and Collective Bargaining, 925-931.)[1] The existence of such a unit will, it is believed, insure to said employees in the three departments the full benefit of their right to self-organization and collective bargaining and, thereby, effectuate the policies enunciated in the Industrial Peace Act.[2]

- Examination of the collective bargaining agreement entered into between the company and FOITAF on August 18, 1954 (Exh. 3-Alhambra) and the agreements entered subsequent thereto between the same parties dated February 24, 1955 (Exh. 3-A Alhambra) and August 25, 1955 (Exh 3-B Alhambra) discloses beyond doubt that they expressly cover only the workers in the five departments of the company, namely, the raw leaf (manlalasi), cigar, cigarette, packing (precinteria), and engineering and garage departments. Exhibits S Alhambra and 3—A Alhambra are conspicuous for their repeated use of the term "laborers". In no single instance is the term "employees" mentioned to convey the idea that those in the other three departments, namely, the administrative, sales, and dispensary departments, are also covered by said agreements. Exhibit 3-B "Alhambra consistently uses the term 'Precinteros', referring to the workers in the packing or precinteria department. It is, furthermore, significant to note that the workers who are divided into several categories in Exhibit 3-Alhambra, all belong to the five-mentioned departments of the company, which again unmistakably conveys the impression that said agreement was not intended to cover or apply to those workers or employees in the administrative, sales, and dispensary departments.

We agree with the observation of the lower court that it is only in Exhibit 3-C Alhambra (executed on June 25, 1956) that the employees in the three-mentioned departments were expressly covered. Nevertheless, said coverage was limited or confined only to the security guards in said departments.

While it may be true that the benefits granted under said agreements were extended to, and enjoyed by, all the workers in all the eight departments of the company, the fact remains that those in the administrative, sales, and dispensary departments were not expressly covered and, should the company, at any time, decide not to extend to them said benefits, they can not legally demand their extension to them as they would have nothing to invoke in support of said demand. In fine, they have no legal right to said benefits enforceable before the courts.

- Although the physician and two nurses in the dispensary department perform functions which may properly be designated as technical or professional, the lower court, in our opinion, did not err in including them in the bargaining unit sought to be represented by respondent labor organization, since, as already stated, they are performing functions which have nothing to do with production and maintenance and, consequently, have a community of interest with the employees in the administrative and sales department.

Wherefore, finding no reversible error in the order and resolution of the court a quo appealed from, the same are hereby affirmed in all respects, with costs against the petitioners. So ordered.

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

Padilla, J., took no part.

[1] See also Rothenberg on Labor Relations, 489-490; Democratic Labor Association vs. Cebu Stevedoring Company, et al., G. R. No. L-10321, prom. February 28, 1958.

[2] Rep. Act No. 875, as amended.

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