

TOYOTA MOTORS PHILIPPINES CORPORATION LABOR UNION, PETITIONER, VS. TOYOTA MOTOR PHILIPPINES CORPORATION EMPLOYEES AND WORKERS UNION, TOYOTA MOTOR PHILIPPINES CORPORATION, AND TH...

G.R. No. 135806. August 08, 2002

Ponente: BELLOSILLO, J.

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BELLOSILLO, J.:

This is a petition for certiorari under Rule 65 of the Rules of Court, as amended, seeking to set aside the Resolution of 5 June 1998 and the Order of 10 August 1998 both issued by respondent Secretary of Labor and Employment in OS-A-5-58-98 (NCR-OD-M-9704-0311) which affirmed the decision of the Med-Arbitrator dated 24 February 1998. The assailed decision dismissed both the Petition for Certification Election filed by respondent Toyota Motor Philippines Corp. Employees and Workers Union (TMPCEWU) and the Petition-in-Intervention filed by petitioner Toyota Motor Philippines Corp. Labor Union (TMPCLU).

On 24 April 1997 respondent TMPCEWU filed a Petition for Certification Election before the Med-Arbitration Unit of the DOLE-National Capital Region (DOLE-NCR) seeking to represent the rank-and-file employees of the manufacturing division from Levels 1 to 4 of Toyota Motor Philippines Corp. (TMPC).

On 13 May 1997, while the case was pending hearing, petitioner TMPCLU claiming to be the legitimate labor organization, filed a Motion to Intervene with Opposition to the Certification Election praying that it be allowed to intervene and, thereafter, the petition by TMPCEWU be denied for lack of merit. It claimed that the petition was premature due to an earlier resolution by the Secretary of Labor ordering the conduct of a certification election among the rank-and-file employees of TMPC represented by petitioner which was the subject of certiorari proceedings before the Supreme Court and still awaiting final resolution at the time; and, that the collective bargaining unit which respondent TMPCEWU sought to represent violated the "single or employer" unit policy since it excluded the rank-and-file employees in the other divisions and departments in respondent TMPC.[1]

In its motion petitioner TMPCLU outlined the antecedent events prior to the TMPCEWU's filing of its Petition for Certification Election on 24 April 1997 thus -

- On 26 November 1992 it (TMPCLU) filed a petition for certification election before Med-Arbitrator Paterno D. Adap, docketed as NCR-OD-M-9211-053;
- On 8 March 1993 Med-Arbitrator Adap dismissed TMPCLU's petition on the ground that the labor organization's membership was composed of supervisory and rank-and-file employees in violation of Art. 245 of the Labor Code, and that at the time of the filing of its petition, TMCPCLU had not even acquired legal personality yet;
- On appeal, the Secretary of Labor, in a Resolution dated 9 November 1993 signed by Undersecretary Bienvenido E. Laguesma, set aside the Med-Arbitrator's Order and directed the holding of a certification election

among the regular rank-and-file employees of TMPC. In setting aside the assailed order, the Office of the Secretary argued that:

Contrary to the allegation of herein respondent-appellee, petitioner-appellant was already a legitimate labor organization at the time of the filing of the petition on 26 November 1992. Records show that on 24 November 1992 or two (2) days before the filing of the said petition, it was issued a certificate of registration.

- Acting on TMPC's motion for reconsideration the Secretary of Labor set aside his earlier resolution and ordered the remand of the case to the Med-Arbiter concluding that the issues raised by TMPC both on appeal and its motion for reconsideration were factual issues requiring further hearing and production of evidence;

- Pursuant to the order above-mentioned, the Med-Arbiter on 28 September 1994 dismissed TMPCLU's petition for certification election for failure of petitioner to acquire legal personality at the time of the filing of the said petition;

- The motion for reconsideration filed by TMPCLU before the Secretary of Labor, which was treated as an appeal from the order of the Med-Arbiter dated 28 September 1994, was granted and the said order was set aside. In lieu thereof, a new order was issued giving due course to the petition and directing the conduct of a certification election among the rank-and-file employees of TMPC;

- The Secretary of Labor, in his order dated 14 July 1995, denied for lack of merit the motion for reconsideration filed by TMPC;

- On 20 April 1996 the Secretary of Labor issued a new resolution directing the conduct of a certification election among the rank-and-file employees of TMPC; and

- TMPC lodged a special civil action for certiorari before the Supreme Court assailing the 20 April 1996 Resolution of the Secretary of Labor; and on 19 February 1997, the Supreme Court[2] set aside the assailed Resolution of the Secretary of Labor and reinstated the Order of the Med-Arbiter dated 28 September 1994. In its decision, the Supreme Court ruled that since TMPCLU's membership list contained the names of at least twenty-seven (27) supervisory employees in Level Five positions, "the union could not, prior to purging itself of its supervisory employee members, attain the status of a legitimate labor organization. Not being one, it cannot possess the requisite personality to file a petition for certification election."

At the time respondent TMPCEWU filed its Petition for Certification Election on 24 April 1997 the decision of the Supreme Court had not ripened into a final and executory judgment. Thus petitioner invoked as among the grounds for opposition thereto in its Motion to Intervene with Opposition to the Petition for Certification Election that the "pending proceeding before the Supreme Court may be said to be a pre-judicial question which should be resolved first before the instant petition can prosper." [3]

TMPC also filed a similar comment on 9 June 1997. Hence, on 2 July 1997, the Med-Arbiter ordered the provisional dismissal of TMPCEWU's Petition for Certification Election pending a final ruling by the Supreme Court on the Petition for Certification Election.

On 3 June 1997 the decision of the Supreme Court dated 19 February 1997 became final and executory.

In view of respondent TMPCEWU's revival of its Petition for Certification Election, petitioner also filed on 30 October 1997 its Petition-in-Intervention[4] alleging that (a) it was representing only the rank-and-file employees; (b) it enjoys the support of the regular rank-and-file workers at large in TMPC, an unorganized establishment, and not only among the rank-and-file employees in the manufacturing division thereof; (c) while respondent TMPCEWU professed itself as a legitimate labor organization, there was serious doubt on such claim inasmuch as

there was a pending petition for the cancellation of its certification of registration on the ground of fraud; (d) respondent TMPCEWU's representation of the rank-and-file employees, Levels 1 to 4, within the manufacturing division only to the exclusion of those in the other departments and divisions violated the "single or employer" unit policy; and, (e) the establishment of the proposed bargaining unit in the manufacturing division composed of employees from Levels 1 to 4, should respondent's petition be allowed, would induce the proliferation of unions in a single employer.[5]

On 24 February 1998 the Med-Arbiter rendered a decision dismissing for lack of merit TMPCEWU's Petition for Certification Election, since it failed to include all rank-and-file employees from Levels 1 to 4 in other departments of TMPC in violation of the "one-union in one-company" policy and likewise dismissing TMPCLU's Petition-in-Intervention for lack of legal personality.[6] Anent the issue on whether TMPCLU has the legal personality to file the Petition-in-Intervention, the Med-Arbiter explained thus -

The uncontroverted fact in this case is that at the time intervenor TMPCLU filed its application for registration and subsequently thereafter was issued a certificate of registration on November 24, 1992 (Annex "A," Intervenor's petition-in-intervention), its union membership is (sic) composed of supervisory and rank-and-file employees.

From this we could infer that the registration certificate issued by the Department of Labor and Employment is void ab initio because at the time of the issuance the constitution of intervenor union TMPCLU is (sic) a mixture of supervisory and rank-and-file employees as per finding of fact of Med-Arbiter Paterno Adap in his Order dated March 8, 1993 (Annex "A," respondent's Answer to Petition-in-Intervention).

On 14 March 1998, dissatisfied with the unfavorable decision, petitioner appealed to the Secretary of Labor contending that contrary to the finding of the Med-Arbiter it had the legal personality to intervene in the certification election proceedings as shown by its Certificate of Registration No. NCR-UR-11-996-92.

In a Resolution dated 5 June 1998, the Secretary of Labor justified his affirmance of the Med-Arbiter's decision in this wise -[7]

On the first ground raised on appeal, it is true that the employer is a mere by-stander during the conduct of a certification election. Prior to the election, however, the employer is not precluded from ascertaining the legitimacy of the union in order that it can be assured that the union it will be dealing with is a duly registered labor organization which legally represents the bargaining unit sought to be represented. There is therefore no error in allowing the employer to question the status of appellant as in the case at bar.

On the second issue, it had earlier been finally ruled by the Supreme Court (G.R. No 121084) involving herein employer and appellant that since the bargaining unit of the rank-in-file which TMPCLU is seeking to represent is a mixture of supervisory employees which is prohibited under Article 245 of the Labor Code, as amended, the union prior to purging itself of supervisory employees-members, had not attained the status of a legitimate labor organization. Appellant now simply asserts that it has purged its membership of supervisory employees and therefore is now a legitimate labor organization of the rank-and-file employees. Appellant has not however shown that it registered anew because admittedly some of its officers are supervisory employees. The need to register anew is necessary and the purging by itself of its officers who are holding supervisory position is imperative. One of the requirements for registration is the submission of the list of officers. Under the circumstances obtaining, appellant has not as yet attained the status of a legitimate labor organization. It has therefore no legal authority to oppose the instant petition.

On 10 August 1998 the Secretary issued an Order denying petitioner's motion for reconsideration; hence, petitioner now comes to us assailing the aforementioned Resolution and Order of the Secretary of Labor arguing that -

First. At the time it filed its Petition-in-Intervention on 30 October 1997 it was clothed with legal personality as a bona fide labor union. Petitioner contended that when it filed the Motion to Intervene with Opposition to the Petition for Certification Election filed by TMPCEWU and its Petition-in-Intervention, it did have a Certificate of Registration No. NCR-UR-1199692 which was based on its compliance with the requisites for union registration. Hence, it had the legal personality when it filed the Petition-in-Intervention and had all the rights as well as obligations of a legitimate labor organization. There was therefore no necessity for petitioner to register anew when it was already a registered labor organization.

Second. The Med-Arbiter had no authority to declare that petitioner's certificate of registration was void ab initio in a certification election proceeding; neither was the representation proceedings before the Med-Arbiter the appropriate remedy to ventilate such issue.

To buttress its stance, petitioner drew attention to the fact that the Implementing Rules of the Labor Code of the Philippines, particularly Book V, Rule 1, Sec. 1 (kk) thereof, and the Med-Arbiter's authority were limited to hearing, conciliating, mediating and deciding representation cases, internal union and intra-union disputes. Considering that the case before the Med-Arbiter was a Petition for Certification Election by respondent TMPCEWU, the only task of the Med-Arbiter was to determine the employees' choice of their bargaining representative, and nothing more.

Third. The Supreme Court in *Toyota Motor Philippines v. Toyota Motor Corporation Philippines Labor Union and Secretary of Labor*,^[8] limited the finding of petitioner's lack of personality only to the time when it filed its Petition for Certification Election.

In this regard, petitioner decries the decision of the Secretary of Labor affirming that of the Med-Arbiter on the basis of the ruling in the aforecited case. It must be stressed, according to petitioner, that contrary to the interpretation given by the Med-Arbiter as affirmed by the Secretary of Labor, the Supreme Court's ruling that it did not have legal personality was limited to the time when it filed its Petition for Certification Election on 26 November 1992. Neither did the Supreme Court, in that case, rule on the validity of the certificate of registration.

More importantly, according to petitioner, it was erroneous for the Secretary to assume that inasmuch as petitioner failed to purge itself of its supervisory employee-members when it filed its previous Petition for Certification Election on 26 November 1992, it could not have possessed the appropriate legal personality when it filed its Petition-in-Intervention on 30 October 1997. The truth of the matter is that with the purging completed, absent any finding of the Supreme Court or any other court or tribunal declaring the invalidity of the certificate of registration, petitioner possessed the legal personality when it filed its Petition-in-Intervention.

This Court is called upon to resolve the issue of whether petitioner had legal personality on 30 October 1997 when it filed its Petition-in-Intervention. Corollary thereto, should petitioner register anew despite its alleged purging of the supervisory employee-members as directed by this Court in *Toyota Motor Philippines Corporation v. Toyota Motor Philippines Corporation Labor Union*^[9] and the issuance in its favor of a certificate of registration after it was found to have violated Art. 245 of the Labor Code?

To find solution to the question in the instant case, we need only refer to the earlier case of *Toyota Motor Philippines Corporation v. Toyota Motor Philippines Corporation Labor Union and the Secretary of Labor and Employment*,^[10] which sprang from a Petition for Certification Election filed by TMPCLU among the rank-and-file employees of TMPC. On 8 March 1993, however, its petition was dismissed by the Med-Arbiter for the reason that the labor organization's membership was composed of supervisory and rank-and-file employee-members. On appeal, the Secretary of Labor remanded the case to the Med-Arbiter upon his finding that factual issues remained unresolved. Pursuant to the order of the Secretary of Labor, the Med-Arbiter, in his

decision dated 28 September 1994, dismissed TMPCLU's Petition for Certification Election on the basis of the following factual findings:

(T)he (in)controvertible fact is that petitioner could not have been issued its Certificate of Registration on November 24, 1992 when it applied for registration only on November 23, 1992 as shown by the official receipt of payment of filing fee. As Enrique Nalus, Chief LEO, this office, would attest in his letter dated September 8, 1994 addressed to Mr. Porfirio T. Reyes, Industrial Relations Officer of Respondent company, in response to a query posed by the latter, "it is unlikely that an application for registration is approved on the date that it is filed or the day thereafter as the processing course had to pass through routing, screening, and assignment, evaluation, review and initialing, and approval/disapproval procedure, among others, that a 30-day period is provided for under the Labor Code for this purpose, let alone opposition thereto by interested parties which must be also given due course."

Another evidence which petitioner presented is the "Union Registration 1992 Logbook of IRD" and the entry date 25 November 1992 as allegedly the date of the release of its registration certificate. On the other hand, respondent company presented a certified true copy of an entry on page 265 of the Union Registration Logbook showing the pertinent facts about petitioner but which did not show that petitioner's registration was issued on or before 26 November 1992.

The Med-Arbiter also found that TMPCLU had not acquired legal personality for the reason that its composition, being a mixture of supervisory and rank-and-file employees, was in direct violation of Art. 245 of the Labor Code.[11]

Although there is a divergence of factual backdrops between *Toyota Motor Philippines Corporation v. Toyota Motor Philippines Corporation Labor Union* and the Secretary of Labor and Employment[12] and the instant petition in the sense that in the former the filing of a Petition for Certification Election by petitioner gave rise to the controversy while the present case arose from the filing of a Petition-in-Intervention, the bottom-line issue in both cases nonetheless involves the legitimacy of petitioner TMPCLU to file petitions.

We recall that in the first Toyota case, although there was no categorical pronouncement on the validity of petitioner's certificate of registration considering that we deemed it entirely irrelevant in the light of the finding that petitioner was not entirely a rank-and-file labor organization, we sustained however in the same decision the entire factual findings of the Med-Arbiter when we observed -

The foregoing discussion, therefore, renders entirely irrelevant the technical issue raised as to whether or not respondent union was in possession of the status of a legitimate labor organization at the time of filing, when, as petitioner vigorously claims, the former was still at the stage of processing of its application for recognition as a legitimate labor organization. The union's composition being in violation of the Labor Code's prohibition of unions composed of supervisory and rank-and-file employees, it could not possess the requisite personality to file for recognition as a legitimate labor organization. In any case, the factual issue, albeit ignored by the public respondent's assailed Resolution, was adequately threshed out in the Med-Arbiter's September 28, 1994 Order (underscoring supplied).

In effect therefore, we already impressed our stamp of approval on the factual findings of the Med-Arbiter in his 28 September 1994 decision, i.e., that petitioner had no valid certificate of registration and therefore no legal personality to file the Petition for Certification Election and in the absence of any attempt on its part to rectify the legal infirmity, likewise the disputed Petition-in-Intervention.

It is thus fatuous on petitioner's part to resurrect the issue of legitimacy in the instant case notwithstanding our earlier ruling sustaining the factual findings of the Med-Arbiter.

We cannot also accede to petitioner's submission that the issuance of a certificate of registration in its favor is an adequate and unassailable proof that it possesses the requisite legal personality to file a Petition for Certification Election. Not necessarily. As we emphasized in *Progressive Development Corp. - Pizza Hut v. Laguesma*,^[13] if a labor organization's application for registration is vitiated by falsification and serious irregularities, a labor organization should be denied recognition as a legitimate labor organization. And if a certificate of registration has been issued, the propriety of its registration could be assailed directly through cancellation of registration proceedings in accordance with Arts. 238 and 239 of the Labor Code, or indirectly, by challenging its petition for the issuance of an order for certification election. We believe the procedural requirements to impugn the registration by petitioner were more than adequately complied with as shown in the 1997 case of *Toyota Motor Philippines Corporation v. Toyota Motor Philippines Corporation Labor Union*.^[14]

There is no reason to belabor the primordial importance of strictly complying with the registration requirements of the Labor Code. As we have explained in a long line of cases, the activities of labor organizations, associations and unions are impressed with public interest, hence, must be protected.

WHEREFORE the petition is DISMISSED for lack of merit. Accordingly, the assailed Resolution dated 5 June 1998 and Order dated 10 August 1998 of the Secretary of Labor and Employment affirming the decision of the Med-Arbiter dated 24 February 1998 which dismissed both the Petition for Certification Election filed by respondent Toyota Motor Philippines Corp. Employees and Workers Union (TMPCEWU) and the Petition-in-Intervention of petitioner Toyota Motor Philippines Corp. Labor Union (TMPCLU) are AFFIRMED.

SO ORDERED.

Mendoza, Quisumbing, and Corona, JJ., concur.

[1] Rollo, p. 70.

[2] *Toyota Motor Philippines v. Toyota Motor Corporation Philippines Labor Union and Secretary of Labor*, G.R. No. 121084, 19 February 1997, 268 SCRA 573; Decision penned by Associate Justices Santiago M. Kapunan, and concurred in by Associate Justices Teodoro R. Padilla, Josue N. Bellosillo, Jose C. Vitug, and Regino C. Hermosisima Jr., First Division.

[3] *Id.*, p. 75.

[4] *Id.*, p. 184.

[5] *Id.*, pp. 185-186.

[6] *Id.*, p. 45.

[7] *Id.* pp. 41-42.

[8] G.R. No. 121084, 19 February 1997.

[9] See Note 2.

[10] *Ibid.*

[11] Art. 245. Ineligibility of managerial employees to join any labor organization; right of supervisory employees. – Managerial employees are not eligible to join, assist, or form any labor organization. Supervisory employees shall not be eligible for membership in a labor organization of the rank-and-file employees but may join, assist or form separate labor organization of their own.

[12] See Note 2.

[13] G.R. No. 115077, 18 April 1997.

[14] See Note 2.

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