

BENEDICTO DINGLASAN, PETITIONER, VS. NATIONAL LABOR UNION, RESPONDENT.

G.R. No. 14183. November 28, 1959

Ponente: BARRERA, J.

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BARRERA, J.:

This is a petition to review the decision of the Court of Industrial Relations of February 27, 1958 (in Case No. 3-ULP), finding the petitioner guilty. of unfair labor practice under the Industrial Peace Act.[1]

On June 30, 1953, the respondent union filed with the above-mentioned court a complaint for alleged unfair labor practice committed by the petitioner, in that he locked out from employment 46 drivers, members of the respondent union, on June 27, 1953.

Before filing his answer, the petitioner asked for the dismissal of the complaint on the grounds that the court had no jurisdiction over the person of the petitioner and the subject matter of the action, and the respondent union was not the real party in interest. The petitioner claimed that there existed no employer-employee relationship between the petitioner and the drivers, members of the respondent union, the relationship being one of lessor and lessee only, as the jeeps being used by the said drivers were rented out by the petitioner under the so-called "boundary system". The motion was denied by the court in its order of February 16, 1954, but on petitioner's motion for reconsideration, the court, en banc, in its resolution of June 23, 1954, unanimously reconsidered its first order and finally declared that there was no employer-employee relationship between the parties.

The respondent union, appealed to this Court, and on March 23, 1956, we rendered a decision (in G. R. No. L-7945)[*] reversing the said resolution and holding that an employer-employee relationship existed between the parties. The said decision became final on May 29, 1956.

In view of the decision of this Court, the petitioner, on June 4, 1957, filed in the court a quo his answer to the complaint of June 30, 1953, denying (1) the legitimacy of the respondent union, and (2) the charge of unfair labor practice, claiming that he acted in good faith based on his honest belief that he was not an employer of the drivers, members of the respondent union, but only a lessor of his jeepneys.

Thereafter, the case was heard, and on February 27, 1958, the court rendered a decision, as follows:

"It would appear that the main question at issue is whether the respondent has committed the charges alleged in the complaint.

"According to the complaint, the respondent had knowledge of the formation of a union on June 26, 1953 and respondent upon learning of the same decided on dismissing all the driver members because he did not want to have a union within his company. This particular union, it turned out, was a chapter or affiliate of the complainant union which was organized sometime on June 24, 1953.

On June 27, 1953, the respondent dismissed the drivers appearing in the complaint by refusing them the use of the jeepneys regularly assigned to them.

"On the other hand, respondent claims otherwise. The respondent, it is alleged, fearing that a strike might be called by the drivers decided on not renting out the jeepneys on said date, June 27, 1953.

"Based on the versions submitted in evidence by the parties, it is clear that the respondent engaged in the unfair labor practice charged in the complaint, amounting to a virtual lockout of his employee drivers, hence constituting discrimination under Republic Act No. 875. As the records of this case disclose, the act of locking out committed by respondent was made without the required notice and no collective bargaining negotiations were ever made. The mere suspicion by respondent, that a strike might be called by the union, is no justification for such an act.

"We hold therefore, that respondent is guilty of the unfair labor practices charged in the complaint.

"However, there are certain aspects of this case which merit consideration. It has been contended by respondent, since the beginning of this case, that he is not the employer of the drivers listed in the complaint and has honestly acted under such belief. This very Court itself, unanimously were of the same opinion that there was no employer-employee relationship. In the application of the affirmative reliefs granted by law, this good faith of the respondent must be taken into consideration in those portions where the law allows this Court to use its sound discretion and judgment. The particular portion we have in mind is section 5 of Republic Act No. 875.

"Furthermore, it appears that some of the drivers listed in the complaint have either returned to work or are already working elsewhere and there is a need for further proceedings in this respect.

"IN VIEW OF THE FOREGOING, this Court hereby orders the respondent:

"(1) To cease and desist from further committing the unfair labor practices complained of;

"(2) To reinstate the drivers listed in the complaint, except those who have been already reinstated;

"(3) To pay back wages to all the drivers listed in the complaint, but in the exercise of the Court's discretion said back wages shall commence only from May 29, 1956, based on the minimum daily wage of P4.00, deducting therefrom and from said date the periods when said drivers have found substantially equivalent and regular employment for themselves, for which reason further hearings shall be had for the sole purpose of determining the respective amount of back wage due each driver up to the time they are actually re-employed by respondent.

"SO ORDERED."

On March 8, 1958, petitioner filed a motion for reconsideration which was denied by the court in its resolution en banc, of July 30, 1958. Hence, this petition for review.

It is the contention of respondent union that petitioner, upon learning that his drivers had formed a labor union among themselves, refused on June 27, 1953, to let them use and operate the jeepneys regularly assigned to them, which act, it is alleged, constitutes an unlawful lockout and an unfair labor practice.

The petitioner, on the other hand, claims that he did not lock out his drivers, members of the respondent union, on June 27, 1953, as contended by them. Believing honestly that no employer-employee relationship existed between him and them and fearing that the drivers were intending to declare a strike and might abandon his jeepneys in the streets of the city, he decided, as a precautionary measure to protect his interest, to suspend their operation temporarily and consult his attorney. Upon obtaining his counsel's advice, he immediately announced to the drivers the following morning, June 28, that they could then take out his jeepneys. While some four or five of them heeded petitioner's request, the others refused to return to operate. Those who took advantage of petitioner's offer had however, to come back after a few hours because some of the drivers on strike had admonished them to

return the jeepneys and join the strike. For some days this situation continued. until on October 8, 1953, when the case was first submitted for decision, thirty-four (34) of the forty-six (46) drivers had already returned to work under the same conditions as before June 27, 1953.

We have examined the records and we are satisfied that . what occurred on June 26, 1953, and the days following was substantially as testified to by petitioner Benedicto Dinglasan and his witnesses, three of whom are among the drivers of his jeepneys, two (Julio Ongpin and Francisco Leaño) are completely disinterested persons, two are patrolmen, and the remaining two are his employees, as against the sole testimony of Juanito Cruz, President of the local group of the respondent labor union, and on the essentially hearsay declaration of Zosimo Yjares who claims to be the secretary of the drivers' association.

While we agree with the lower court that the act of the petitioner in suspending the operation of his jeepneys on June 27, is legally and technically not in consonance with the Industrial Peace Act (the court a quo termed it "a virtual lockout") so as to entitle the drivers to be reinstated, nevertheless, as the trial court correctly stated in its decision,

"there are certain aspects of this case which merit consideration. It has been contended by respondent, since the beginning of this case, that he is not the employer of the drivers listed in the complaint and has honestly noted under such belief. This very Court itself, unanimously were of the same opinion that there was no employer-employee relationship. In the application of the affirmative reliefs granted by law, this good faith of the respondent must be taken into consideration in those portions where the law allows this court to use its sound discretion and judgment. The particular portion we have in mind is Section 5 of Republic Act No. 875."

In the exercise of this discretion, that is, whether the reinstatement will be with or without back pay, aside from the fact that there was no willful violation of the Industrial Peace Act, there is an additional circumstance that may be considered in favor of herein petitioner. As already mentioned above, petitioner, the day following his suspension of the operation of the jeepneys, urged the drivers to return and resume the work, notwithstanding which, the latter not only refused, but even compelled those who did, to join the strike. It is clear therefrom, that the cessation or stoppage of the operation after June 27, was not the direct consequence of petitioner's locking them up or of any willful unfair or discriminatory act of the former, but the result of their (the drivers) voluntary and deliberate refusal to return to work. Taking into account the foregoing circumstances and considering their similarity to those in the case of Philippine Marine Radio Officers' Association vs. Court of Industrial Relations et al., 102 Phil., 373, wherein it was held that there is no reason for granting backpay if there has not been any willful unfair labor practice or refusal of the respondent companies to admit their laborers back to work, while the drivers members of respondent union may, in this case, be entitled to reinstatement, we find no justification for their receiving back wages for the period that they themselves refused to return to work.

Wherefore, the decision appealed from is accordingly modified in the sense that the reinstatement will be without back pay. In all other respects, the same is affirmed, without costs. So ordered.

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

[1] Republic Act No. 875.

[*] National Labor Union vs. Dinglasan, 98 Phil., 649; 52 Off. Gaz. (4), 1933.

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