

NATIONAL DEVELOPMENT COMPANY, PETITIONER, VS. JUAN ARALAR, ET AL. AND COURT OF INDUSTRIAL RELATIONS, RESPONDENTS.

G.R. No. 14258. July 26, 1960

Ponente: MONTEMAYOR, J.

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MONTEMAYOR, J.:

The National Development Company, later referred to as the Company, through certiorari, is appealing the decision of the Court of Industrial Relations (CIR), dated June 28, 1958, granting the petition of Juan Aralar and 69 others, dated April 22, 1957, in Case No. 1059-V, asking for the execution of the decision of the CIR in Case No. 129-V, dated November 5, 1948, the dispositive part of the latter decision reading as follows:

"In view of the foregoing consideration respondent is hereby ordered to grant a minimum wage of P5.00 a day to its male laborer and P4.00 a day to its female laborer and P4.50 a day to male apprentice and helper and P3.50 a day for female apprentice or helper. However, in case a female laborer performs the same work done by a male laborer, the former should be accorded the rate of wage of the latter. Apprentices should not exceed 20% of the total number of employees and laborers in the establishment. All employees receiving a monthly salary not more than P300.00 and laborers receiving P5.00 a day and above are granted 10% increase each. Consequently, respondent's petition to reduce its operators and employees is hereby denied. The increase granted shall take effect from March 15, 1958." (Annex A).

Juan Aralar and 69 others through counsel, filed a petition with the CIR on April 22, 1957, alleging that under the decision of November 5, 1948 in Case No. 129-V the dispositive part of which has been reproduced, they were entitled to be paid the equivalent of 10% of their salary as increase. The National Development Company (NDC), now appellant-petitioner, filed a motion to dismiss the petition on the ground that the subject matter thereof was the recovery of a sum of money and, therefore, not cognizable by the CIR under the provisions of Republic Act No. 875. On May 29, 1957, the NDC filed a supplement to the motions to dismiss, claiming that the petition stated no cause of action and that the CIR had not acquired jurisdiction over the petitioner NDC because under Section 4, Commonwealth Act 103, there should at least be 31 signing the petition; furthermore, conformably to Section 17 of said Commonwealth Act 103, a notice to terminate the award or decision relied upon in said Case No. 129-V had already been filed. Consequently, it is said the award may no longer be enforced in the present case. Respondents herein answered the motion, alleging that the CIR had jurisdiction for the reason that the petition was merely for the execution of the decision of the CIR. The motion to dismiss was denied and the NDC was required to file its answer. So it did.

Among the allegations contained in the answer is one to the effect that the petition stated no cause of action because the award or decision had ceased to be effective, a notice to terminate the same having been filed on May 27, 1957; also that there was no showing that petitioners, respondents herein, were members of the National Textile Workers Union and were employed at the textile mills of the NDC, and it was not shown that the claimants were within the purview of the award, it being a fact that some of them were not yet or were no longer

in the service of the NDC on November 5, 1948 when the said award was made. After hearing, a decision was rendered granting the petition, as follows:

"With these dissertations made, this Court hereby grants the petition as prayed for.

"In order to determine the proper amount due the petitioners herein, the Court Examiner or his representative is directed to render a report covering the 10% increase with respect to those employees who are earning not more than P300.00 and for laborers who are receiving P5.00 a day or more, who are employed by the respondent Company in the whole employer unit. With respect to those petitioners who died, laid-off, or dismissed after March 15, 1948, proper computation should also be included for the final disposition of this case.

"Wherefore, subject to the report of the Court Examiner aforementioned and the approval of this Court, the final disposition of this case is held in abeyance. Meanwhile, the Court Examiner is required to prepare his report within sixty (60) days from receipt of this order."

The motion by the Company for reconsideration was denied by the CIR en banc.

We agree with the CIR that the present petition is not an action independent of Case No. 129-V; it merely asks for the execution of the award given in that case. That being the case, it is not necessary to establish the elements required to confer jurisdiction on the CIR, such as, that the petition involves a labor dispute causing or likely to cause a strike and that the petition should be signed by at least 31 claimants instead of being signed and verified by Atty. Guevarra alone.

We also agree with the CIR that a mere notice filed by the company to terminate the effectivity of the award made in 1948 is not sufficient to stop or bar said effectivity. Something more than a mere notice to terminate is necessary. A hearing should be held before the CIR which may then decide whether or not the terms of the award may continue to be enforced, on the basis of conditions now prevailing. For instance, if at the time of the award the company was making sufficient profits so as to justify the award, say, in the form of increase in salaries and wages, etc., but now or at the time of the notice of termination, the company was no longer making profits but on the contrary was suffering losses, then the CIR may order that the increase in the wages should be stopped.

In the case of National Waterworks and Sewerage Authority (NAWASA) vs. Court of Industrial Relations, 107 Phil., 79; 57 Off. Gaz. (19)3517, through Mr. Justice Felix Bautista Angelo, we said that although under Section 17 of Commonwealth Act No. 103 as amended, a notice to terminate the effectivity of an award is allowed still when the award was made as a result of a controversy between the management and labor, it is naturally binding upon both parties and it is but logical that its effectivity may not be terminated ex parte unless the period of its duration is specified in the award; that when 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. That is why the law requires that notice to terminate be given to the court (CIR) so as to give the latter the right to intervene. We therefore hold that notice to terminate the effectivity of an award which does not fix the period of duration is not sufficient but that it is necessary that a hearing be held so that the CIR may act upon said notice favorably or otherwise.

As already stated, respondent company claims that of the 70 petitioners, only about 21 are still in its service, the others having long ago died, resigned, laid off or been separated from the service of the company. Let us assume this to be correct. Would the CIR have jurisdiction over the claims filed by or on behalf of those 49 employees and laborers who no longer are in the company's service, although they may be or would have been benefited by the award?

If the petition for enforcement of the award made in 1948 is in fact but a mere money claim, as contended and urged by respondent company, then the CIR would have no jurisdiction to entertain and decide the same. The

reason is that treating of claims for overtime, underpayment, wage differential, etc. which were considered money claim, we have in the past uniformly held that for those employees and laborers who are still in the employ of the company or who have been illegally dismissed but seek reinstatement, they may prosecute these claims before the CIR, the reason being that their claim for payment or reinstatement may be considered a labor dispute and may lead to a strike or disturbance in industrial peace. However, when a money claim is filed by or on behalf of laborers and employees no longer in the service of the company, and neither seeking reinstatement, then said claim should be prosecuted before the competent courts and not before the CIR. In the case of Price Stabilization Corporation (PRISCO) vs. Court of Industrial Relations, *supra*, p. 134, through Mr. Justice Barrera, we held that in a number of cases, such as, PAFLU vs. Tan, 99 Phil., 854; 52 Off. Gaz., 5845; Aguilar vs. Salumbides, L-10124, December 28, 1957; Roman Catholic Archbishop of Manila vs. Quiamson, L-12341, and Elizalde & Co. vs. Quiamson, L-12345, jointly decided on April 30, 1958, Chua Workers Union vs. City Automotive, L-11625, April 29, 1959, that claims for overtime, underpayment, wage differential, separation pay, etc., which constitute money claims filed by ex-employees of the company, fall under the jurisdiction of competent courts and not under the CIR for the reason that the relation of employer and employee has already ceased; that only when an ex-employee making such a money claim seeks reinstatement may the CIR exercise jurisdiction, for the reason that the claim for reinstatement may involve unfair labor practice.

However, we believe that the petition for enforcement of an award is not a mere money claim, for the purpose of determining jurisdiction, as heretofore discussed. For jurisdictional purposes, we consider a money claim by a worker or laborer, whether still in or already outside the service of the company, to be a demand for payment of a sum of money in the form of overtime, underpayment, work on Sundays and holidays, etc., which still has to be prosecuted before a court and established by competent evidence, which would still necessitate a decision or award. But in the present case, however, the petition is merely for an enforcement or implementation of a decision or award already rendered, final and executory. Consequently, we hold that the CIR has jurisdiction over the said issue, one of the reasons being that there is no better court or judicial entity to enforce and implement a decision or award than the court that as a result of a hearing and other proceedings, rendered it.^[1]

Another point involved in this case is the scope of or the extension of the benefits of the award. The industrial Court in its decision now under review holds that under the theory of interdepartmental functions, the award is extensive and applicable to all departments of the respondent company. In reviewing the decision in Case No. 129-V under which the award in question was made, we notice that the demands therein made were for increase of salary for employees and laborers in the textile mills of the company. As a matter of fact, the CIR made an ocular inspection of said textile mills for the purpose of determining the work of the employees and laborers in said textile mills, the importance, difficulty, etc., of said work. As a matter of fact, the decision refers to mill operation, price of textiles produced from its operation of the said mills, the gin section, the ticker section, the drawing section, the living room section, the spinning department, etc., giving one to understand that the petition or demand for increase in wages as well as the issue involved in that case was confined to the textile mill workers. The respondent company is engaged in various enterprises besides the production of textiles. The decision in that case No. 129-V granting the award now on appeal, on page 16 thereof in referring to the respondent company, says that this corporation was created by Commonwealth Act No. 122 among other things, to engage in commercial, mining, industrial and agricultural and other enterprises which may be necessary or contributory to the economic development of the country or important to the public interest. Surely, an award which is based on a petition for the increase of the wages of the employees and laborers working in the textile mills where the evidence was confined to said textile mills, cannot be made extensive and applicable indiscriminately to laborers and employees working in other departments such as mining, commercial, agricultural, assuming that the Company is actually engaged in the same, where conditions of work are or may be radically different. However,

taking a liberal view of the question and considering the same from the standpoint of labor, we are willing to relax the rule and we hold that the benefits of the award may be extended to the workers and laborers in other departments of the Company where the conditions are similar or more or less the same and where the employees and laborers deserve the benefits. This is a complement of our ruling in other labor cases to the effect that the CIR is authorized to extend the benefits of an award even to workers and employees who were not parties to the case, and who were not members of the labor union that prosecuted the case and won the award, because it is to be presumed that other workers are also interested in any increase in salary and other benefits, for otherwise, failure or refusal to do so would constitute unjust and unwarranted discrimination which is not permitted by the law (*Price Stabilization Corporation vs. PRISCO Workers Union*, G. R. No. L-9288, December 29, 1958; *Land Settlement and Development Corporation vs. Caledonia Pile Workers Union*, 90 Phil., 817); but that the extension of the benefits of an award may be extended only to laborers and employees who are similarly situated and more or less of the same category.

But there is a more important question to be determined in the present case, namely, whether or not the award made in 1948 may still be enforced today or even on the date the petition for its enforcement was filed, namely, April 22, 1957. It will be recalled that the award was made on November 5, 1948. More than five years have passed since then. May said award still be enforced despite that more than five years had elapsed, under the provisions of Section 6, Rule 39 of the Rules of Court?

Section 23 of Commonwealth Act No. 103, creating the Court of Industrial Relations, defining its jurisdiction and outlining its work, provides as follows:

"Sec. 23. Civil liability.—Noncompliance with any of the terms of the agreement of the parties as provided for in this Act, or of the award, order or decision, after it has become final, conclusive and executory, may subject the offending party to liability for damages to be recovered in an ordinary civil action."

This was amended by Section 6, Commonwealth Act No. 559, so as to read thus:

"Sec. 23. Civil liability.—In case of noncompliance with any award, order, or decision of the Court of Industrial Relations after it has become final, conclusive, and executory, the judgment may be enforced by a writ of execution or any other remedy provided by law in respect to enforcement and execution of orders, decisions, or judgments of the Courts of First Instance."

Under the amendment, if a final judgment or award of the CIR is to be enforced by writ of execution or any other remedy provided by law in the same way that orders and judgments of Courts of First Instance are enforced, then the legal provisions to the effect that decisions may be enforced only within five years from the date, of entry, are applicable to decisions or awards of the Industrial Court. Consequently, it is necessary to make distinctions. If the award made in 1948 has never been executed as regards all the petitioners, then the present petition should and must be denied. A new action or proceeding would be necessary to enforce the award. However, if the 1948 award has heretofore been executed or enforced as to some or all of the petitioners and from the date of the last enforcement up to the date of the present petition, not more than five years have elapsed, then the present petition may be granted as to those petitioners not covered by the prohibition of Section 6, Rule 39, Rules of Court.

If in spite of this holding and ruling, we have made some observations or comments on other points involved in the present appeal, the same are intended as an attempt at explaining and clarifying the jurisdiction of the CIR, for its guidance and that of the management and the laborers and employees when occasion arises to enforce their right's or seek redress before the Court of Industrial Relations.

In view of the foregoing, the appealed decision in so far as it grants the petition dated April 22, 1957, which petition asks that the Company be directed to pay petitioners the equivalent of 10% increase in their salary as of

November 5, 1948, is affirmed. It should be understood, however, that as already stated, the award by the Court of Industrial Relations in Case No. 129-V, dated November 5, 1948 was in favor of the laborers and employees in the textile mills of the Company. The benefits of this award may be extended only to laborers and employees of other departments of the Company who are similarly situated and of the same category. Further, that our confirmation of the appealed decision is with the understanding and under the condition that the award sought to be implemented is still enforceable as to any or all of the petitioners, that is to say, that not more than five years have elapsed since the last execution of the award and the date of the present petition. The case is hereby remanded to the Court of Industrial Relations for further proceedings as to the determination of the amounts of increase involved in the implementation of its decision and, of course, in accordance with the ruling and condition set in our decision. No costs.

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

[1] Philippine Long Distance Telephone Company vs. Court of Industrial Relations and Francisco Zamora, G. R. No. L-13447. February 17, 1958.

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