

NARIC WORKER'S UNION, ET AL., PETITIONERS, VS. HON. CARMELINO G. ALVENDIA, ET AL., RESPONDENTS.*G.R. No. 14439. March 25, 1960*

Ponente: REYES, J.B.L., J.

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In an order dated May 27, 1958, respondent Honorable Carmelino Alvendia granted a writ of preliminary injunction in Civil Case No. 36353 (for damages) of the Court of First Instance of Manila. Orders of July 1, 1958 and August 20, 1958 of the respondent Honorable Judge Bonifacio Ysip, respectively, denied herein petitioners' motion, to dismiss the said civil case and motion for reconsideration of the denial. From said orders, petitioners filed the instant petition for certiorari with prohibition.

It appears that on May 26, 1958, the respondent National Rice and Corn Corporation filed a complaint versus the herein petitioners, Naric Worker's Union and its officers, in the Court of First Instance of Manila (Civil Case No. 36353 for Damages with Ex-parte Petition for Preliminary Injunction) as a result of the alleged blocking and obstruction of the gates of the respondent company's offices by striking picketers who threatened violence and bodily harm to persons crossing the union's picket lines. On the same date that the complaint was filed, respondent Judge Carmelino Alvendia issued ex parte an order for the issuance of a writ of preliminary injunction, directing the petitioners and their agents to refrain from the commission of the acts complained of until further orders from the court.

The writ was subsequently signed by Judge Bonifacio Ysip in May 27. In due time, the petitioners filed a motion to dismiss the complaint and dissolve the restraining orders, urging that the respondent court had no jurisdiction over the case since it grows out of a labor dispute involving an unfair labor practice case (CIR Case No. 1677—ULP), and, therefore, exclusively cognizable by the Court of Industrial Relations.

Having been unsuccessful in the lower court, petitioners brought this petition for review, reiterating their contentions in the court below. We granted due course to the petition, and upon petitioners' filing a bond of P500.00, a writ of preliminary injunction was issued by this Court.

The parties do not contest that courts of first instance have no jurisdiction in cases that grow out of labor disputes involving unfair labor practices.[1] Respondent National Rice and Corn Corporation, however, argues that, it (NARIC) has been held, by judicial as well as administrative and executive pronouncements, to be a body performing governmental functions[2], and according to Section 11 of Republic Act No. 875, petitioners are precluded from declaring: a strike against it.

The portion of the law relied upon by the respondent corporation is to this effect—

"SEC. 11. Prohibition Against Strikes in the Government.—The terms and conditions of employment in the Government, including any political subdivision or instrumentality thereof, are governed by law and it is declared to be the policy of the Act that employees therein shall not strike for the purpose of securing changes or modifications in their terms and conditions of employment. Such employees may belong to any labor

organization which does not impose the obligation to strike or to join in strike: Provided, however, That this section shall apply only to employees employed in governmental functions and not to those employed in proprietary functions of the Government including but not limited to governmental corporations." (Rep. Act 875)

Conceding that the respondent National Rice and Corn Corporation is an instrumentality of the Government, especially since the law creating it (Republic Act No. 663) expressly declares the same to be so,^[3] yet its activities are not purely or exclusively governmental in nature.

Thus, under the statute, the corporation is empowered, under Section 3 thereof, among other matters, to buy and sell rice and corn or its by-products; to give loans on reasonable terms and finance activities in the rice and corn industry; to borrow, raise or secure money; to mortgage or otherwise encumber its properties; and to enter into, make, perform and carry out contracts of every class and description necessary or incidental to its purpose, for which it may derive profits or incur losses.

Now, under the proviso of Section 11 of the Industrial Peace Act (already quoted), the prohibition to strike is clearly limited to "employees employed in governmental functions and not to those employed in proprietary functions of the Government" (Sec. 11, Republic Act 875). Since the work of the members of the petitioning union consists mainly in hauling goods at the respondent's warehouses, barges and piers, the same bears only a very remote relation to the governmental functions of respondent corporation, and the union members are not covered by the prohibition against strikes. Restrictions of the workers' basic right to collective action to improve their conditions of work or protect themselves against oppressive practices are to be strictly construed.

If, as stated by the respondents, the petitioners were committing acts of violence and bodily harm during the course of their strike, the remedy to enjoin the same lies not with the ordinary courts but with the Industrial Court which has exclusive jurisdiction over the dispute.

Respondents contend that the case of the petitioners does not fall within the jurisdiction of the Court of Industrial Relations. There is no merit in this assertion. In the leading case of *PAFLU, et al. vs. Tan, et al.*, 52 Off. Gaz., 5836, we already made it clear that the Industrial Court has exclusive jurisdiction over the following cases:

"(1) When the labor dispute affects an industry which is indispensable to the National interest and is so certified by the President to the Industrial Court (Section 10, Republic Act 875); (2) when the controversy refers to the minimum wage under the Minimum Wage Law (Republic Act 602); (3) when it involves hours of employment under the Eight Hour Labor Law (Commonwealth Act 444); and when it involves an unfair labor practice (Section 5 (a), Republic Act 875)."

It appears that even before the filing of respondent corporation's complaint in Civil Case No. 36353 of the Court of First Instance of Manila, the Naric Workers' Union had already filed charges for unfair labor practices against the corporation, leading to the filing of a complaint before the Industrial Court by a special prosecutor thereat, dated June 11, 1958, and docketed as Case No. 1677-ULP. The charges include the refusal of the corporation to deal with the representatives of the complainant union for collective bargaining and its desire to discriminate against and discourage membership in the complainant union in violation of sub-paragraphs 4 and 6 of Republic Act 875. It does not appear that the unfair labor practice case was filed merely to divest the Court of First Instance of its jurisdiction and it is not, thus, relevant whether the filing of the complaint before the Industrial Court was prior to or later than the filing of the complaint in the civil case for damages (*Erlanger & Galinger, Inc. vs. Erlanger & Galinger Employees Assn. (NATU)*, 104 Phil., 17). In *National Garments and Textile Workers' Union-Paflu vs. Caluag, etc., et al.*, G. R. No. L-9104, September 30, 1956, we held:

"It appearing that the issue involved in the main case is interwoven with the unfair labor practice cases pending

before the Court, of Industrial Relations as to which its jurisdiction is exclusive, it is evident that it does not fall under the jurisdiction of the trial court even if it involves acts of violence, intimidation and coercion as averred in the complaint. This acts come within the purview of Section. 9 (d) of Republic Act 875 which may be enjoined by the Court of Industrial Relations.

The reason for this rule was stated in *Erlanger & Galinger, Inc. vs. Erlanger & Galinger Employees Assn. (NATU)*, *supra*..

"Since the picketing and strikes may be mere incidents or consequences of the unfair labor practice, it is but proper that the issuance of injunction be made by the court having jurisdiction over the main case, in order that the writ be issued upon cognizance of all relevant facts.'

Since the Court of First Instance had no jurisdiction, the fact that the petitioning union was declared in default does not affect the merits of the case.

Wherefore, the restraining orders complained of, dated May 19, 1958 and May 27, 1958, are set aside, and the complaint is ordered dismissed, without prejudice to the National Rice and Corn Corporation's seeking whatever remedy it is entitled to in the Court of Industrial Relations. Costs against the corporation.

Bengzon, Bautista Angelo, Concepcion, Barrera, and Gutierrez David, JJ., concur.
Montemayor, J., reserves his vote.

[1] Consolidated Labor Ass'n of the Philippines, et al. vs. Caluag, et al., G. R. No. L-12330, May 30, 1958; Reyes, et al. vs. Tan, et al., 108 Phil., 1032; Reyes, et al. vs. Tan, 99 Phil., 880; National Garment and Textile Worker's Union-Paflu vs. Caluag, et al., G. R. No. L-9104, September 10, 1956.

[2] Citing *Tabora vs. Montelibano*, 52 Off. Gaz., 3058; Opinion No. 15, Series of 1958 of the Government Corporate Counsel; letter of the Executive Secretary, dated May 26, 1958, to the NARIC Assistant Manager; Opinion No. 212, Series of 1958 of the Secretary of Justice, reiterating opinion of the Secretary of Justice No. 319, s. 1954; No. 264, s. 1966; and No. 219 s. 1657.

[3] The pertinent provisions of Republic Act No. 663, creating the National Rice and Corn Corporation, provide:

"SEC. 3. For carrying out the foregoing objectives, the Corporation shall have authority—

(a) To act as the agent or instrumentality of the Government in any of its governmental, social or civic functions in such a manner and under such conditions as may be prescribed by law or by executive order or proclamation; * * *." (Italics supplied)

Common law courts invariably conceded corporations as instrumentalities of the State whenever the law creating it so provides (*Huffman vs. Home Owners' Loan Corp.*, 39 F. Supp. 139; *Herman et al., vs. Home Owners' Loan Corp.*, 200 Atl. 742; see also, *Port Angeles Western R. Co. vs. Clallam County, Wash., et al.*, 20 Fed. 2d. 202; *Trinity Farm Const. Co. vs. Alice Gosjean* 78 L. Ed. 918; *Barnsdall Refineries, Inc., et al. vs. Oklahoma Tax Commission et al.*, 41 p. 2d 918).

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