EDUARDO J. MARIÑO, JR., MA. MELVYN P. ALAMIS, NORMA P. COLLANTES, AND FERNANDO PEDROSA, PETITIONERS, VS. GIL Y. GAMILLA, RENE LUIS TADLE, NORMA S. CALAGUAS, MA. LOURDES C. MEDIN...

G.R. No. 149763. July 07, 2009

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

Assailed in this Petition for Review on Certiorari,[1] under Rule 45 of the Rules of Court, are (1) the Decision[2] dated 16 March 2001 of the Court of Appeals in CA-G.R. SP No. 60657, dismissing petitioners' Petition for Certiorari under Rule 65 of the Rules of Court; and (2) the Resolution[3] dated 30 August 2001 of the appellate court in the same case denying petitioners' Motion for Reconsideration.

I
FACTS

The Petition at bar arose from the following factual and procedural antecedents.

(1) Case No. NCR-OD-M-9412-022

At the time when the numerous controversies in the instant case first came about, petitioners Atty. Eduardo J. Mariño, Jr., Ma. Melvyn P. Alamis, Norma P. Collantes, and Fernando Pedrosa were among the executive officers and directors (collectively called the Mariño Group) of the University of Sto. Tomas Faculty Union (USTFU), a labor union duly organized and registered under the laws of the Republic of the Philippines and the bargaining representative of the faculty members of the University of Santo Tomas (UST).[4]

Respondents Gil Y. Gamilla, Rene Luis Tadle, Norma S. Calaguas, Ma. Lourdes C. Medina, Edna B. Sanchez, Remedios Garcia, Mafel Ysrael, Zaida Gamilla, and Aurora Domingo were UST professors and USTFU members.

The 1986 Collective Bargaining Agreement (CBA) between UST and USTFU expired on 31 May 1988. Thereafter, bargaining negotiations ensued between UST and the Mariño Group, which represented USTFU. As the parties were not able to reach an agreement despite their earnest efforts, a bargaining deadlock was declared and USTFU filed a notice of strike. Subsequently, then Secretary of the Department of Labor and Employment (DOLE) Franklin Drilon assumed jurisdiction over the dispute, which was docketed as NCMB-NCR-NS-02-117-89. The DOLE Secretary issued an Order on 19 October 1990, laying the terms and conditions for a new CBA between the UST and USTFU. In accordance with said Order, the UST and USTFU entered into a CBA in 1991, which was to be effective for the period of 1 June 1988 to 31 May 1993 (hereinafter 1988-1993 CBA). In keeping with Article 253-A[5] of the Labor Code, as amended, the economic provisions of the 1988-1993 CBA were subject to renegotiation for the fourth and fifth years.

Accordingly, on 10 September 1992, UST and USTFU executed a Memorandum of Agreement (MOA),[6] whereby UST faculty members belonging to the collective bargaining unit were granted additional economic benefits for the fourth and fifth years of the 1988-1993 CBA, specifically, the period from 1 June 1992 up to 31 May 1993. The relevant portions of the MOA read:

MEMORANDUM OF AGREEMENT

x x x x

1.0. The University hereby grants additional benefits to Faculty Members belonging to the collective bargaining unit as defined in Article I, Section 1 of the Collective Bargaining Agreement entered into between the parties herein over and above the benefits now enjoyed by the said faculty members, which additional benefits shall amount in the aggregate to P42,000,000.00[.]

2.0. Under this Agreement the University shall grant salary increases, to wit:

2.1. THIRTY (P30.00) PESOS per lecture unit per month to covered faculty members retroactive to June 1, 1991;

2.2. Additional THIRTY (P30.00) PESOS per lecture unit per month on top of the salary increase granted in [paragraph] 2.1 hereof to the said faculty members effective June 1, 1992;

2.3. In the case of a covered faculty member whose compensation is computed on a basis other than lecture unit per month, he shall receive salary increases that are equivalent to those provided in paragraphs 2.1 and 2.2 hereof, with the amount of salary increases being arrived at by using the usual method of computing the said faculty member's basic pay;

3.0. The UNIVERSITY shall likewise restore to the faculty members the amounts corresponding to the deductions in salary that were taken from the pay checks in the second half of June, 1989 and in the first half of July, 1989, provided that said deductions in salary relate to the union activities that were held in the aforestated payroll periods, and provided further that the amounts involved shall be taken from the P42 Million (sic) economic package.

4.0. A portion of the P42,000,000.00 economic package amounting to P2,000,000.00 shall be used to satisfy all obligations that remained outstanding and unpaid in the May 17, 1986 Collective Bargaining Agreement.

5.0. Any unspent balance of the aggregate of P42,000,000.00 as of October 15, 1992, shall, within two weeks, be remitted to the Union[:]

5.1. The unspent balance mentioned in paragraph 5.0 inclusive of earnings but exclusive of check-offs, shall be used for the salary increases herein granted up to May 31, 1993, for increases in hospitalization, educational and retirement benefits, and for other economic benefits.

6.0. The benefits herein granted constitute the entire and complete package of economic benefits granted by the UNIVERSITY to the covered faculty members for the balance of the term of the existing collective bargaining agreement.

7.0. It is clearly understood and agreed upon that the aggregate sum of P42 million is chargeable against the share of the faculty members in the incremental proceeds of tuition fees collected and still to be collected; Provided, however, that he (sic) commitment of the UNIVERSITY to pay the aggregate sum of P42 million shall subsist even if the said amount exceeds the proportionate share that may accrue to the faculty members in the tuition fee increases that the UNIVERSITY may be authorized to collect in School-Year 1992-1993, and, Provided, finally, that the covered faculty members shall still be entitled to their proportionate share in any undistributed portion of the incremental proceeds of the tuition fee increases in School-Year 1992-1993, and

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incremental proceeds are, by law and pertinent Department of Education Culture and Sports (DECS) regulations, required to be allotted for the payment of salaries, wages, allowances and other benefits of teaching and non-teaching personnel for the UNIVERSITY.

8.0. With this Agreement, the parties confirm that[:]

8.1. the University has complied with the requirements of the law relative to the release and distribution of the incremental proceeds of tuition fee increases as these incremental proceeds pertain to the faculty share in the tuition fee increase collected during the School-Year 1991-1992; and,

8.2. the economic benefits herein granted constitute the full and complete financial obligation of the UNIVERSITY to the members of its faculty for the period June 1, 1991 to May 31, 1993, pursuant to the provisions of the existing Collective Bargaining Agreement.

9.0. Subject to the provisions of law, and without reducing the amounts of salary increases granted under paragraphs 2.0, 2.1, 2.2 and 2.3[,] the UNION shall have the right to a pro-rata lump sum check-off of all sums of money due and payable to it from the package of economic benefits granted under this Agreement, provided that there is an authorization of a majority of the members of the UNION and provided, further, that the P42 million economic package herein granted shall not in any way be exceeded.

10.0. This Agreement shall be effective for a period of two (2) years, starting June 1, 1991 and ending on May 31, 1993, provided, however, that if for any reason no new collective bargaining agreement is entered into at the expiration date hereof, this Agreement, together with the March 18, 1991 Collective Bargaining Agreement, shall remain in full force and effect until such time as a new collective bargaining agreement shall have been executed by the parties.

x x x x

UNIVERSITY OF SANTO TOMAS

UST FACULTY UNION

BY:

BY:

(signed)

(signed)

FR. TERESO M. CAMPILLO, JR., O.P.

ATTY. EDUARDO J. MARINO, JR.

Treasurer

President

Attested by[:]
(signed)
REV. FR. ROLANDO DELA ROSA, O.P. (Emphasis ours.)

On 12 September 1992, the majority of USTFU members signed individual instruments of ratification,[7] which purportedly signified their consent to the economic benefits granted under the MOA. Said instruments uniformly recited:

RATIFICATION OF THE UST-USTFU MEMORANDUM OF AGREEMENT DATED SEPTEMBER 10, 1992 GRANTING A PACKAGE OF THE P42 MILLION FACULTY BENEFITS WITH PROVISION FOR CHECK-OFF.

September 12, 1992
Date

TO WHOM IT MAY CONCERN:

I, the undersigned UST faculty member, aware that the law requires ratification and that without ratification by majority of all faculty members belonging to the collective bargaining unit, the Memorandum of Agreement between the University of Santo Tomas and the UST Faculty Union (or USTFU) dated September 10, 1992 may be questioned and all the faculty benefits granted therein may be cancelled, do hereby ratify the said agreement.

Under the Agreement, the University shall pay P42 million over a period of two (2) years from June 1, 1991 up to May 31, 1992.

In consideration of the efforts of the UST Faculty Union as the faculty members' sole and exclusive collective bargaining representative in obtaining the said P42 million package of economic benefits, a check-off of ten percent thereof covering union dues, and special assessment for Labor Education Fund and attorney's fees from USTFU members and agency fee from non-members for the period of the Agreement is hereby authorized to be made in one lump sum effective immediately, provided that two per cent (sic) shall be for [the] administration of the Agreement and the balance of eight per cent (sic) shall be for attorney's fees to be donated, as pledged by the USTFU lawyer to the Philippine Foundation for the Advancement of the Teaching Profession, Inc. whose principal purpose is the advancement of the teaching profession and teacher's welfare, and provided further that the deductions shall not be taken from my individual monthly salary but from the total package of P42 million due under the Agreement.

_____
Signature of Faculty Member (Emphasis ours.)

USTFU, through its President, petitioner Atty. Mariño, wrote a letter[8] dated 1 October 1992 to the UST Treasurer requesting the release to the union of the sum of P4.2 million, which was 10% of the P42 million economic benefits package granted by the MOA to faculty members belonging to the collective bargaining unit. The P4.2 million was sought by USTFU in consideration of its efforts in obtaining the said P42 million economic benefits package. UST remitted the sum of P4.2 million to USTFU on 9 October 1992.[9]

After deducting from the P42 million economic benefits package the P4.2 million check-off to USTFU, the amounts owed to UST, and the salary increases and bonuses of the covered faculty members, a net amount of P6,389,145.04 remained. The remaining amount was distributed to the faculty members on 18 November 1994.

On 15 December 1994, respondents[10] filed with the Med-Arbiter, DOLE-National Capital Region (NCR), a Complaint for the expulsion of the Mariño Group as USTFU officers and directors, which was docketed as Case No. NCR-OD-M-9412-022.[11] Respondents alleged in their Complaint that the Mariño Group violated the rights and conditions of membership in USTFU, particularly by: 1) investing the unspent balance of the P42 million economic benefits package given by UST without prior approval of the general membership; 2) simultaneously holding elections viva voce; 3) ratifying the CBA involving the P42 million economic benefits package; and 4) approving the attorney's/agency fees worth P4.2 million in the form of check-off. Respondents prayed that the Mariño Group be declared jointly and severally liable for refunding all collected attorney's/agency fees from individual members of USTFU and the collective bargaining unit; and that, after due hearing, the Mariño group be expelled as USTFU officers and directors.

(2) Case No. NCR-OD-M-9510-028

On 16 December 1994, UST and USTFU, represented by the Mariño Group, entered into a new CBA, effective 1 June 1993 to 31 May 1998 (1993-1998 CBA). This new CBA was registered with the DOLE on 20 February 1995.

Respondents[12] filed with the Med-Arbiter, DOLE-NCR, on 18 October 1995, another Complaint against the Mariño Group for violation of the rights and conditions of union membership, which was docketed as Case No. NCR-OD-M-9510-028.[13] The Complaint primarily sought to invalidate certain provisions of the 1993-1998 CBA negotiated by the Mariño Group for USTFU and the registration of said CBA with the DOLE.

(3) Case No. NCR-OD-M-9610-001

On 24 September 1996, petitioner Norma Collantes, as USTFU Secretary-General, posted notices in some faculty rooms at UST, informing the union members of a general assembly to be held on 5 October 1996. Part of the agenda for said date was the election of new USTFU officers. The following day, 25 September 1996, respondents wrote a letter[14] to the USTFU Committee on Elections, urging the latter to re-schedule the elections to ensure a free, clean, honest, and orderly election and to afford the union members the time to prepare themselves for the same. The USTFU Committee on Elections failed to act positively on respondents' letter, and neither did they adopt and promulgate the rules and regulations for the conduct of the scheduled election.

Thus, on 1 October 1996, respondents[15] filed with the Med-Arbiter, DOLE-NCR, an Urgent Ex-Parte Petition/Complaint, which was docketed as Case No. NCR-OD-M-9610-001.[16] Respondents alleged in their Petition/Complaint that the general membership meeting called by the USTFU Board of Directors on 5 October 1996, the agenda of which included the election of union officers, was in violation of the provisions of the Constitution and By-Laws of USTFU. Respondents prayed that the DOLE supervise the conduct of the USTFU elections, and that they be awarded attorney's fees.

On 4 October 1996, the Med-Arbiter DOLE-NCR, issued a Temporary Restraining Order (TRO) enjoining the holding of the USTFU elections scheduled the next day.

(4) Case No. NCR-OD-M-9610-016

Also on 4 October 1996, the UST Secretary General headed a general faculty assembly attended by USTFU members, as well as USTFU non-members, but who were members of the collective bargaining unit. During said assembly, respondents were among the elected officers of USTFU (collectively referred to as the Gamilla Group). Petitioners filed with the Med-Arbiter, DOLE-NCR, a Petition seeking injunctive reliefs and the nullification of the results of the 4 October 1994 election. The Petition was docketed as Case No. NCR-OD-M-9610-016.

In a Decision dated 11 February 1997 in Case No. NCR-OD-M-9610-016, the Med-Arbiter DOLE-NCR, nullified the election of the Gamilla Group as USTFU officers on 4 October 1996 for having been conducted in violation of the Constitution and By-Laws of the union. This ruling of the Med-Arbiter was affirmed on appeal by the Bureau of Labor Relations (BLR) in a Resolution issued on 15 August 1997. Respondents were, thus, prompted to file a Petition for Certiorari before this Court, docketed as G.R. No. 131235.

While G.R. No. 131235 was pending, the term of office of the Gamilla Group as USTFU officers expired on 4 October 1999. The Gamilla Group then scheduled the next election of USTFU officers on 14 January 2000.

On 16 November 1999, the Court promulgated its Decision in G.R. No. 131235, affirming the BLR Resolution dated 15 August 1997 which ruled that the purported election of USTFU officers held on 4 October 1996 was void for violating the Constitution and By-Laws of the union.[17]

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(5) Case No. NCR-OD-M-9611-009

On 15 November 1996, respondents[18] filed before the Med-Arbiter, DOLE-NCR, a fourth Complaint/Petition against the Mariño Group, as well as the Philippine Foundation for the Advancement of the Teaching Profession, Inc., Security Bank Corporation, and Bank of the Philippine Islands, which was docketed as Case No. NCR-OD-M-9611-009.[19] Respondents claimed in their latest Complaint/Petition that they were the legitimate USTFU officers, having been elected on 4 October 1996. They prayed for an order directing the Mariño Group to cease and desist from using the name of USTFU and from performing acts for and on behalf of the USTFU and the rest of the members of the collective bargaining unit.

DOLE Department Order No. 9 took effect on 21 June 1997, amending the Rules Implementing Book V of the Labor Code, as amended. Thereunder, jurisdiction over the complaints for any violation of the union constitution and by-laws and the conditions of union membership was vested in the Regional Director of the DOLE.[20] Pursuant to said Department Order, all four Petitions/Complaints filed by respondents against the Mariño Group, particularly, Case No. NCR-OD-M-9412-022, Case No. NCR-OD-M-9510-028, Case No. NCR-OD-M-9610-001, and Case No. NCR-OD-M-9611-009 were consolidated and indorsed to the Office of the Regional Director of the DOLE-NCR.

On 27 May 1999, the DOLE-NCR Regional Director rendered a Decision[21] in the consolidated cases in respondents' favor.

In Case No. NCR-OD-M-9412-022 and Case No. NCR-OD-M-9510-028, the DOLE-NCR Regional Director adjudged the Mariño Group, as the executive officers of USTFU, guilty of violating the provisions of the USTFU Constitution and By-laws by failing to collect union dues and to conduct a general assembly every three months. The DOLE-NCR Regional Director also ruled that the Mariño Group violated Article 241(c)[22] and (l)[23] of the Labor Code when they did not submit a list of union officers to the DOLE; when they did not submit/provide DOLE and the USTFU members with copies of the audited financial statements of the union; and when they invested in a bank, without prior consent of USTFU members, the sum of P9,766,570.01, which formed part of the P42 million economic benefits package.

Additionally, the DOLE-NCR Regional Director declared that the check-off of P4.2 million collected by the Mariño Group, as negotiation fees, was invalid. According to the MOA executed on 10 September 1992 by UST and USTFU, the P42 million economic benefits package was chargeable against the share of the faculty members in the incremental proceeds of tuition fees collected and still to be collected. Under Republic Act No. 6728,[24] 70% of the tuition fee increases should be allotted to academic and non-academic personnel. Given that the records were silent as to how much of the P42 million economic benefits package was obtained through negotiations and how much was from the statutory allotment of 70% of the tuition fee increases, the DOLE-NCR Regional Director held that the entire amount was within the statutory allotment, which could not be the subject of negotiation and, thus, could not be burdened by negotiation fees.

The DOLE-NCR Regional Director further found that the principal subject of Case No. NCR-OD-M-9610-001 (i.e., violation by the Mariño Group of the provisions on election of officers in the Labor Code and the USTFU Constitution and By-Laws) had been superseded by the central event in Case No. NCR-OD-M-9611-009 (i.e., the subsequent election of another set of USTFU officers consisting of the Gamilla Group). While there were two sets of USTFU officers vying for legitimacy, the eventual ruling of the DOLE-NCR Regional Director, for the expulsion of the Mariño Group from their positions as USTFU officers, practically extinguished Case No. NCR-OD-M-9611-009.

The decretal portion of the 27 May 1999 Decision of the DOLE-NCR Regional Director reads:

> WHEREFORE, premises considered, judgment is hereby rendered:
>
> a) Expelling [the Mariño Group] from their positions as officers of USTFU, and hereby order them under pain of contempt, to cease and desist from performing acts as such officers;
>
> b) Ordering [the Mariño Group] to jointly and severally refund to USTFU the amount of P4.2 M checked-off as attorney's fees from the P42 M economic package;
>
> c) Ordering [the Mariño Group] to account for:
> c.1. P2.0 M paid to USTFU in satisfaction of the remaining obligation of the University under the 1986 CBA;
>
> c.2. P7.0 M as consideration of the Compromise Agreement entered into by USTFU involving certain labor cases;
>
> c.3. Interest/earnings of the P9,766,570.01 balance of the P42 M invested/deposited by [the Mariño Group] with the PCI Capital Corporation.

d) Ordering conduct of election of Union officers under the supervision of this Department.[25]

Petitioners interposed an appeal[26] before the BLR, which was docketed as BLR-A-TR-52-25-10-99.

In the meantime, the election of USTFU officers was held as scheduled on 14 January 2000,[27] in which the Gamilla Group claimed victory.[28] On 3 March 2000, the Gamilla group, as the new USTFU officers, entered into a Memorandum of Agreement[29] with the UST, which provided for the economic benefits to be granted to the faculty members of the UST for the years 1999-2001. Said Agreement was ratified by the USTFU members on 9 March 2000.

On the same day, 9 March 2000, the BLR promulgated its Decision[30] in BLR-A-TR-52-25-10-99, the fallo of which provides:

> WHEREFORE, the appeal is GRANTED IN PART. Accordingly, the decision appealed from is hereby MODIFIED to the effect that appellant USTFU officers are hereby ordered to return to the general membership the amount of P4.2 million they have collected by way of attorney's fees.
>
> Let the entire records of this case be remanded to the Regional Office of origin for the immediate conduct of election of officers of USTFU. The election shall be held under the control and supervision of the Regional Office, in accordance with Section 1 (b), Rule XV of Department Order No. 9, unless the parties mutually agree to a different procedure consistent with ensuring integrity and fairness in the electoral exercise.

The BLR found no basis for the order of the DOLE-NCR Regional Director to the Mariño Group to account for the amounts of P2 million and P7 million supposedly paid by UST to USTFU. The BLR clarified that UST paid USTFU a lump sum of P7 million. The P2 million of this lump sum was the payment by UST of its outstanding obligations to USTFU under the 1986 CBA. This amount was subsequently donated by USTFU members to the Philippine Foundation for the Advancement of the Teaching Profession, Inc. The remaining P5 million of the lump sum was the consideration for the settlement of an illegal dismissal case between UST and the Mariño Group. Hence, the P5 million legally belonged to the Mariño Group, and there was no need to make it account for the same. As to the interest earnings of the sum of P9,766,570.01 that was invested by the Mariño Group in a bank, the BLR ruled that the same was included in the amount of P6,389,145.04 that was distributed to the faculty members on 18 November 1994.

The BLR, however, agreed in the finding of the DOLE-NCR Regional Director that the P42 million economic benefits package was sourced from the faculty members' share in the tuition fee increases under Republic Act No. 6728. Under said law, 70% of tuition fee increases shall go to the payment of salaries, wages, allowances, and

other benefits of teaching and non-teaching personnel. As was held in the decision[31] and subsequent resolution[32] of the Supreme Court in Cebu Institute of Technology v. Ople, the law has already provided for the minimum percentage of tuition fee increases to be allotted for teachers and other school personnel. This allotment is mandatory and cannot be diminished, although it may be increased by collective bargaining. It follows that only the amount beyond that mandated by law shall be subject to negotiation fees and attorney's fees for the simple reason that it was only this amount that the school employees had to bargain for.

The BLR further reasoned that the P4.2 million collected by the Mariño Group was in the nature of attorney's fees or negotiation fees and, therefore, fell under the general prohibition against such fees in Article 222(b)[33] of the Labor Code, as amended. Also, the exception to charging against union funds was not applicable because the P42 million economic benefits package under the 10 September 1992 MOA was not union fund, as the same was intended not for the union coffers, but for the members of the entire bargaining unit. The fact that the P4.2 million check-off was approved by the majority of USTFU members was immaterial in view of the clear command of Article 222(b) that any contract, agreement, or arrangement of any sort, contrary to the prohibition contained therein, shall be null and void.

Lastly, as to the alleged failure of the Mariño Group to perform some of its duties, the BLR held that the change of USTFU officers can best be decided, not by outright expulsion, but by the general membership through the actual conduct of elections.

Petitioners' Motion for Partial Reconsideration[34] of the foregoing Decision was denied by the BLR in a Resolution[35] dated 13 June 2000.

Aggrieved once again, petitioners filed with the Court of Appeals a Petition for Certiorari[36] under Rule 65 of the Rules of Court, which was docketed as CA-G.R. SP No. 60657. In a Resolution dated 26 September 2000, the Court of Appeals directed respondents to file their Comment; and, in order not to render moot and academic the issues in the Petition, enjoined respondents and all those acting for and on their behalf from enforcing, implementing, and effecting the BLR Decision dated 9 March 2000.

On 16 March 2001, the Court of Appeals rendered its Decision in CA-G.R. SP No. 60657, favoring respondents.

According to the Court of Appeals, the BLR did not commit grave abuse of discretion, amounting to lack or excess of jurisdiction, in ruling that the P42 million economic benefits package was merely the share of the faculty members in the tuition fee increases pursuant to Republic Act No. 6728. The appellate court explained:

> It is too plain to see that the 60% of the proceeds is to be allocated specifically for increase in salaries or wages of the members of the faculty and all other employees of the school concerned. Under Section 5(2) of Republic Act 6728, the amount had been increased to 70% of the tuition fee increases which was specifically allocated to the payment of salaries, wages, allowances and other benefits of teaching and non-teaching personnel of the school[,] except administrators who are principal stockholders of the school and to cover increases as provided for in the collective bargaining agreements existing or in force at the time the law became effective[.]
>
> x x x x
>
> It is too plain to see, too, that under the "Memorandum of Agreement" between UST and the Union, x x x, the P42,000,000.00 economic package granted by the UST to the Union was in compliance with the mandates of the law and pertinent Department of Education, Culture and Sports regulation (sic) required to be allotted following the payment of salaries, wages, allowances and other benefits of teaching and non-teaching personnel of the University[.]
>
> x x x x

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> Whether or not UST implemented the mandate of Republic Act 6728 voluntarily or through the efforts and prodding of the Union does not and cannot change or alter a whit the nature of the economic package or the purpose or purposes of the allocation of the said amount. For, if we acquiesced to and sustained Petitioners' stance, we will thereby be leaving the compliance by the private educational institutions of the mandate of Republic Act 6728 at the will, mercy, whims and caprices of the Union and the private educational institution. This cannot and should not come to pass.
>
> With our foregoing findings and disquisitions, We thus agree with the [BLR] that the aforesaid amount of P42,000,000.00 should not answer for any attorney's fees claimed by the Petitioners. x x x.
>
> x x x x
>
> Moreover, [Section 5 of Rule X of] the CBL of the Union provides that:
> Section 5. Special assessments or other extraordinary fees such as for payment of attorney's fees shall be made only upon such a resolution duly ratified by the general membership by secret balloting. x x x.

Also, Article 241(n)[37] of the Labor Code, as amended, provides that no special assessment shall be levied upon the members of the union unless authorized by a written resolution of a majority of all the members at a general membership meeting duly called for the purpose[.]

x x x x

In "ABS-CBN Supervisors-Employees Union Members versus ABS-CBN Broadcasting Corporation, 304 SCRA 489", our Supreme Court declared that Article 241(n) of the Labor Code, as amended, speaks of three (3) requisites, to wit: (1) authorization by a written resolution of the majority of all members at the general membership meeting called for the purpose; (2) secretary's record of the minutes of the meeting; and (3) individual written authorization for check-off duly signed by the employee concerned.

Contrary to the provisions of Articles 222(b) and 241(n) of the Labor Code, as amended, and Section 5, Rule X of [the] CBL of the Union, no resolution ratified by the general membership of [the] USTFU through secret balloting which embodied the award of attorney's fees was submitted. Instead, the Petitioners submitted copies of the form for the ratification of the MOA and the check-off for attorney's fees.

x x x x

The aforementioned "ratification with check-off" form embodied the: (a) ratification of the MOA; (b) check-off of union dues; and (c) check-off of a special assessment, i.e., attorney's fees and labor education fund. x x x. Patently, the CBL was not complied with.

Worse, the check-off for union dues and attorney's fees were included in the ratification of the MOA. The members were thus placed in a situation where, upon ratification of the MOA, not only the check-off of union dues and special assessment for labor education fund but also the payment of attorney's fees were (sic) authorized.[38]

In like manner, the Court of Appeals found no grave abuse of discretion, amounting to lack or excess of jurisdiction, on the part of the BLR in ordering the conduct of elections under the control and supervision of the DOLE-NCR. Said the appellate court:

> We agree with the Petitioners that the elections of officers of the Union, before the Decision of the [BLR], had been unfettered by any intervention of the DOLE. However, We agree with the Decision of the [BLR] for two (2) specific reasons, namely: (a) the parties are given an opportunity to first agree on a different procedure to ensure the integrity and fairness of the electoral exercise, before the DOLE, may supervise the election[.]

> x x x x
>
> Under Article IX of the CBL, the Board of Officers of the Union shall create a Committee on Elections, Comelec for brevity, composed of a chairman and two (2) members appointed by the Board of Officers[.]
>
> x x x x
>
> It, however, appears that the term of office of the Petitioners had already expired in September of 1996. In fact, an election of officers was scheduled on October 6, 1996. However, on October 4, 1996, [respondents] and the members of the faculty of UST, both union member and non-union member, elected [respondents] as the new officers of the USTFU. The same was, however, (sic) nullified by the Supreme Court, on November 16, 1999. However, as the term of office of the [respondents] had expired, on October 4, 1999, there is nothing to nullify anymore. By virtue of an election, held on January 14, 2000, the [respondents] were elected as the new officers of the Union, which election was not contested by the Petitioners or any other group in the union.
>
> x x x x
>
> We are thus faced with a situation where one set of officers claim to be the legitimate and incumbent officers of the Union, pursuant to the CBL of the Union, and another set of officers who claim to have been elected by the members of the faculty of the Union thru an election alleged to have been supervised by the DOLE which situation partakes of and is akin to the nature of an intra-union dispute[.] x x x.
>
> Undeniably, the CBL gives the Board of Officers the right to create and appoint members of the Comelec. However, the CBL has no application to a situation where there are two (2) sets of officers, one set claiming to be the legitimate incumbent officers holding over to their positions who have not exercised their powers and functions therefor and another claiming to have been elected in an election supervised by the DOLE and, at the same time, exercising the powers and functions appended to their positions. In such a case, the BLR, which has jurisdiction over the intra-union dispute, can validly order the immediate conduct of election of officers, otherwise, internecine disputes and blame-throwing will derail an orderly and fair election. Indeed, Section 1(b), [Rule XV], Book V of the Implementing Rules and Regulations of the Labor Code, as amended, by Department Order No. 09, Series of 1997,[39] provides that, in the absence of any agreement among the members or any provision in the constitution and by-laws of the labor organization, in an election ordered by the Regional Director, the chairman of the committee shall be a representative of the Labor Relations Division of the Regional Office[.][40]

Ultimately, the Court of Appeals decreed:

> IN THE LIGHT OF ALL THE FOREGOING, the Petition is denied due course and is hereby DISMISSED.[41]

Petitioners moved for reconsideration[42] of the Decision dated 16 March 2001 of the Court of Appeals, but it was denied by the said court in its Resolution[43] dated 30 August 2001.

Petitioners elevated the case to this Court via the instant Petition, invoking the following assignment of errors:

> I.
>
> WHETHER OR NOT THE HONORABLE COURT OF APPEALS COMMITTED SERIOUS ERROR AND GRAVELY ABUSED ITS DISCRETION WHEN IT UPHELD THE APPLICATION BY THE HONORABLE DIRECTOR OF THE BUREAU OF LABOR RELATIONS OF THE PROVISIONS OF REPUBLIC ACT NO. 6728 TO THE P42 MILLION CBA PACKAGE OF ECONOMIC BENEFITS OBTAINED BY THE UST FACULTY UNION FROM THE UNIVERSITY OF SANTO TOMAS.
> II.
>
> WHETHER OR NOT THE HONORABLE COURT OF APPEALS COMMITTED SERIOUS ERROR AND

> GRAVELY ABUSED ITS DISCRETION WHEN IT DISALLOWED THE LUMP-SUM CHECK-OFF AMOUNTING TO P4.2 MILLION BY RULING THAT THE P42 MILLION CBA ECONOMIC PACKAGE OBTAINED BY THE UST FACULTY UNION WAS MERELY AN ALLOCATION OF THE SEVENTY PER CENT (70%) OF THE TUITION INCREASES AUTHORIZED BY LAW AND THE DEPARTMENT OF EDUCATION, CULTURE AND SPORTS.
> III.
>
> WHETHER OR NOT THE HONORABLE COURT OF APPEALS COMMITTED SERIOUS ERROR AND GRAVELY ABUSED ITS DISCRETION WHEN IT DISREGARDED THE PROVISIONS ON ELECTION OF UNION OFFICERS IN THE CONSTITUTION AND BY-LAWS OF THE UST FACULTY UNION AND INSTEAD UPHELD THE DIRECTIVE OF THE HONORABLE DIRECTOR OF THE BUREAU OF LABOR RELATIONS TO CONDUCT THE ELECTION OF UNION OFFICERS UNDER THE CONTROL AND SUPERVISION OF THE REGIONAL DIRECTOR FOR THE NATIONAL CAPITAL REGION OF THE DEPARTMENT OF LABOR AND EMPLOYMENT.

Essentially, in order to arrive at a final disposition of the instant case, this Court is tasked to determine the following: (1) the nature of the P42 million economic benefits package granted by UST to USTFU; (2) the legality of the 10% check-off collected by the Mariño Group from the P42 million economic benefits package; and (3) the validity of the BLR order for USTFU to conduct election of union officers under the control and supervision of the DOLE-NCR Regional Director.

II
RULING

(1) The P42 million economic benefits package

Petitioners argue that the P42 million economic benefits package granted to the covered faculty members were additional benefits, which resulted from a long and arduous process of negotiations between the Mariño Group and UST. The BLR and the Court of Appeals were in error for considering the said amount as purely sourced from the allocation by UST of 70% percent of the incremental proceeds of tuition fee increases, in accordance with Republic Act No. 6728. Said law was improperly applied as a general law that decrees the allocation by all private schools of 70% of their tuition fee increases to the payment of salaries, wages, allowances and other benefits of their teaching & non-teaching personnel. It is clear from the title of the law itself that it only covers government assistance to students and teachers in private education. Section 5 of Republic Act No. 6728 unequivocally limits the scope of the law to tuition fee supplements and subsidies extended by the Government to students in private high schools. Thus, the petitioners maintain that Republic Act No. 6728 has no application to the MOA executed on 10 September 1992 between UST and USTFU, through the efforts of the Mariño Group.

The Court disagrees with petitioners' stance.

The provisions of Republic Act No. 6728 were not arbitrarily applied by the DOLE-NCR Regional Director, the BLR, or the Court of Appeals to the P42 million economic benefits package granted by UST to USTFU, considering that the parties themselves stipulated in Section 7 of the MOA they signed on 10 September 1992 that:

> 7.0. It is clearly understood and agreed upon that the aggregate sum of P42 million is chargeable against the share of the faculty members in the incremental proceeds of tuition fees collected and still to be collected[;] Provided, however, that he (sic) commitment of the UNIVERSITY to pay the aggregate sum of P42 million shall subsist even if the said amount exceeds the proportionate share that may accrue to the faculty members in the tuition fee increases that the UNIVERSITY may be authorized to collect in School-Year 1992-1993, and, Provided, finally, that the covered faculty members shall still be entitled to their proportionate share in any

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> undistributed portion of the incremental proceeds of the tuition fee increases in School-Year 1992-1993, and which incremental proceeds are, by law and pertinent Department of Education Culture and Sports (DECS) regulations, required to be allotted for the payment of salaries, wages, allowances and other benefits of teaching and non-teaching personnel for the UNIVERSITY.[44] (Emphases supplied.)

The "law" in the aforequoted Section 7 of the MOA can only refer to Republic Act No. 6728, otherwise known as the "Government Assistance to Students and Teachers in Private Education Act." Republic Act No. 6728 was enacted in view of the declared policy of the State, in conformity with the mandate of the Constitution, to promote and make quality education accessible to all Filipino citizens, as well as the recognition of the State of the complementary roles of public and private educational institutions in the educational system and the invaluable contribution that the private schools have made and will make to education.[45] The said statute primarily grants various forms of financial aid to private educational institutions such as tuition fee supplements, assistance funds, and scholarship grants.[46]

One such form of financial aid is provided under Section 5 of Republic Act No. 6728, which states:

> SEC. 5. Tuition Fee Supplement for Student in Private High School. -
>
> (1) Financial assistance for tuition for students in private high schools shall be provided by the government through a voucher system in the following manner:
>
> (a) For students enrolled in schools charging less than one thousand five hundred pesos (P1,500) per year in tuition and other fees during school year 1988-89 or such amount in subsequent years as may be determined from time to time by the State Assistance Council: The Government shall provide them with a voucher equal to two hundred ninety pesos P290.00: Provided, That the student pays in the 1989-1990 school year, tuition and other fees equal to the tuition and other fees paid during the preceding academic year: Provided, further, That the Government shall reimburse the vouchers from the schools concerned within sixty (60) days from the close of the registration period: Provided, furthermore, That the student's family resides in the same city or province in which the high school is located unless the student has been enrolled in that school during the previous academic year.
>
> (b) For students enrolled in schools charging above one thousand five hundred pesos (P1,500) per year in tuition and other fees during the school year 1988-1989 or such amount in subsequent years as may be determined from time to time by the State Assistance Council, no assistance for tuition fees shall be granted by the Government: Provided, however, That the schools concerned may raise their tuition fee subject to Section 10 hereof.
>
> (2) Assistance under paragraph (1), subparagraphs (a) and (b) shall be granted and tuition fees under subparagraph (c) may be increased, on the condition that seventy percent (70%) of the amount subsidized, allotted for tuition fee or of the tuition fee increases shall go to the payment of salaries, wages, allowances and other benefits of teaching and non-teaching personnel except administrators who are principal stockholders of the school, and may be used to cover increases as provided for in the collective bargaining agreements existing or in force at the time when this Act is approved and made effective: Provided, That government subsidies are not used directly for salaries of teachers of nonsecular subjects. At least twenty percent (20%) shall go to the improvement or modernization of buildings, equipment, libraries, laboratories, gymnasia and similar facilities and to the payment of other costs of operation. For this purpose, schools shall maintain a separate record of accounts for all assistance received from the government, any tuition fee increase, and the detailed disposition and use thereof, which record shall be made available for periodic inspection as may be determined by the State Assistance Council, during business hours, by the faculty, the non-teaching personnel, students of the school concerned, and Department of Education, Culture and Sports and other concerned government agencies. (Emphases ours.)

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Although Section 5 of Republic Act No. 6728 does speak of government assistance to students in private high schools, it is not limited to the same. Contrary to petitioners' puerile claim, Section 5 likewise grants an unmistakable authority to private high schools to increase their tuition fees, subject to the condition that seventy (70%) percent of the tuition fee increases shall go to the payment of the salaries, wages, allowances, and other benefits of their teaching and non-teaching personnel. The said allocation may also be used to cover increases in the salaries, wages, allowances, and other benefits of school employees as provided for in the CBAs existing or in force at the time when Republic Act No. 6728 was approved and made effective.

Contrary to petitioners' argument, the right of private schools to increase their tuition fee -- with their corresponding obligation to allocate 70% of said increase to the payment of the salaries, wages, allowances, and other benefits of their employees -- is not limited to private high schools. Section 9[47] of Republic Act No. 6728, on "Further Assistance to Students in Private Colleges and Universities," is crystal clear in providing that:

> d) Government assistance and tuition increases as described in this Section shall be governed by the same conditions as provided under Section 5 (2).

Indeed, a private educational institution under Republic Act No. 6728 still has the discretion on the disposition of 70% of the tuition fee increase. It enjoys the privilege of determining how much increase in salaries to grant and the kind and amount of allowances and other benefits to give. The only precondition is that 70% percent of the incremental tuition fee increase goes to the payment of salaries, wages, allowances and other benefits of teaching and non-teaching personnel.[48]

In this case, UST and USTFU stipulated in their 10 September 1992 MOA that the P42 million economic benefits package granted by UST to the members of the collective bargaining unit represented by USTFU, was chargeable against the 70% allotment from the proceeds of the tuition fee increases collected and still to be collected by UST. As observed by the DOLE-NCR Regional Director, and affirmed by both the BLR and the Court of Appeals, there is no showing that any portion of the P42 million economic benefits package was derived from sources other than the 70% allotment from tuition fee increases of UST.

Given the lack of evidence to the contrary, it can be conclusively presumed that the entire P42 million economic benefits package extended to USTFU came from the 70% allotment from tuition fee increases of UST. Preceding from this presumption, any deduction from the P42 million economic benefits package, such as the P4.2 million claimed by the Mariño Group as attorney's/agency fees, should not be allowed, because it would ultimately result in the reduction of the statutorily mandated 70% allotment from the tuition fee increases of UST.

The other reasons for disallowing the P4.2 million attorney's/agency fees collected by the Mariño Group from the P42 million economic benefits package are discussed in the immediately succeeding paragraphs.

(2) The P4.2 Million Check-off

Petitioners contend that the P4.2 million check-off, from the P42 million economic benefits package, was lawfully made since the requirements of Article 222(b) of the Labor Code, as amended, were complied with by the Mariño Group. The individual paychecks of the covered faculty employees were not reduced and the P4.2 million deducted from the P42 million economic benefits package became union funds, which were then used to pay attorney's fees, negotiation fees, and similar charges arising from the CBA. In addition, the P4.2 million constituted a special assessment upon the USTFU members, the requirements for which were properly observed. The special assessment was authorized in writing by the general membership of USTFU during a meeting in which it was included as an item in the agenda. Petitioners fault the Court of Appeals for disregarding the authorization of the special assessment by USTFU members. There is no law that prohibits the insertion of a written authorization for the special assessment in the same instrument for the ratification of the 10 September

1992 MOA. Neither is there a law prescribing a particular form that needs to be accomplished for the authorization of the special assessment. The faculty members who signed the ratification of the MOA, which included the authorization for the special assessment, have high educational attainment, and there is ample reason to believe that they affixed their signatures thereto with full comprehension of what they were doing.

Again, the Court is not persuaded.

The pertinent legal provisions on a check-off are found in Articles 222(b) and 241(n) and (o) of the Labor Code, as amended.

Article 222(b) states:

> (b) No attorney's fees, negotiation fees or similar charges of any kind arising from any collective bargaining negotiations or conclusion of the collective agreement shall be imposed on any individual member of the contracting union: Provided, however, that attorney's fees may be charged against unions funds in an amount to be agreed upon by the parties. Any contract, agreement or arrangement of any sort to the contrary shall be null and void.

Article 241(n) reads:

> (n) No special assessment or other extraordinary fees may be levied upon the members of a labor organization unless authorized by a written resolution of a majority of all the members at a general membership meeting duly called for the purpose. The secretary of the organization shall record the minutes of the meeting including the list of all members present, the votes cast, the purpose of the special assessment or fees and the recipient of such assessment or fees. The record shall be attested to by the president.

And Article 241(o) provides:

> (o) Other than for mandatory activities under the Code, no special assessments, attorney's fees, negotiation fees or any other extraordinary fees may be checked off from any amount due to an employee without an individual written authorization duly signed by the employee. The authorization should specifically state the amount, purpose and beneficiary of the deduction.

Article 222(b) of the Labor Code, as amended, prohibits the payment of attorney's fees only when it is effected through forced contributions from the employees from their own funds as distinguished from union funds.[49] Hence, the general rule is that attorney's fees, negotiation fees, and other similar charges may only be collected from union funds, not from the amounts that pertain to individual union members. As an exception to the general rule, special assessments or other extraordinary fees may be levied upon or checked off from any amount due an employee for as long as there is proper authorization by the employee.

A check-off is a process or device whereby the employer, on agreement with the Union, recognized as the proper bargaining representative, or on prior authorization from the employees, deducts union dues or agency fees from the latter's wages and remits them directly to the Union. Its desirability in a labor organization is quite evident. The Union is assured thereby of continuous funding. As this Court has acknowledged, the system of check-off is primarily for the benefit of the Union and, only indirectly, for the individual employees.[50]

The Court finds that, in the instant case, the P42 million economic benefits package granted by UST did not constitute union funds from whence the P4.2 million could have been validly deducted as attorney's fees. The P42 million economic benefits package was not intended for the USTFU coffers, but for all the members of the bargaining unit USTFU represented, whether members or non-members of the union. A close reading of the terms of the MOA reveals that after the satisfaction of the outstanding obligations of UST under the 1986 CBA, the balance of the P42 million was to be distributed to the covered faculty members of the collective bargaining unit

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in the form of salary increases, returns on paycheck deductions; and increases in hospitalization, educational, and retirement benefits, and other economic benefits. The deduction of the P4.2 million, as alleged attorney's/agency fees, from the P42 million economic benefits package effectively decreased the share from said package accruing to each member of the collective bargaining unit.

Petitioners' line of argument - that the amount of P4.2 million became union funds after its deduction from the P42 million economic benefits package and, thus, could already be used to pay attorney's fees, negotiation fees, or similar charges from the CBA - is absurd. Petitioners' reasoning is evidently flawed since the attorney's fees may only be paid from union funds; yet the amount to be used in paying for the same does not become union funds until it is actually deducted as attorney's fees from the benefits awarded to the employees. It is just a roundabout argument. What the law requires is that the funds be already deemed union funds even before the attorney's fees are deducted or paid therefrom; it does not become union funds after the deduction or payment. To rule otherwise will also render the general prohibition stated in Article 222(b) nugatory, because all that the union needs to do is to deduct from the total benefits awarded to the employees the amount intended for attorney's fees and, thus, "convert" the latter to union funds, which could then be used to pay for the said attorney's fees.

The Court further determines that the requisites for a valid levy and check-off of special assessments, laid down by Article 241(n) and (o), respectively, of the Labor Code, as amended, have not been complied with in the case at bar. To recall, these requisites are: (1) an authorization by a written resolution of the majority of all the union members at the general membership meeting duly called for the purpose; (2) secretary's record of the minutes of the meeting; and (3) individual written authorization for check-off duly signed by the employee concerned.[51]

Additionally, Section 5, Rule X of the USTFU Constitution and By-Laws mandates that:

> Section 5. Special assessments or other extraordinary fees such as for payment of attorney's fees shall be made only upon a resolution duly ratified by the general membership by secret balloting.

In an attempt to comply with the foregoing requirements, the Mariño Group caused the majority of the general membership of USTFU to individually sign a document, which embodied the ratification of the MOA between UST and USTFU, dated 10 September 1992, as well as the authorization for the check-off of P4.2 million, from the P42 million economic benefits package, as payment for attorney's fees. As held by the Court of Appeals, however, the said documents constitute unsatisfactory compliance with the requisites set forth in the Labor Code, as amended, and in the USTFU Constitution and By-Laws, even though individually signed by a majority of USTFU members.

The inclusion of the authorization for a check-off of union dues and special assessments for the Labor Education Fund and attorney's fees, in the same document for the ratification of the 10 September 1992 MOA granting the P42 million economic benefits package, necessarily vitiated the consent of USTFU members. For sure, it is fairly reasonable to assume that no individual member of USTFU would casually turn down the substantial and lucrative award of P42 million in economic benefits under the MOA. However, there was no way for any individual union member to separate his or her consent to the ratification of the MOA from his or her authorization of the check-off of union dues and special assessments. As it were, the ratification of the MOA carried with it the automatic authorization of the check-off of union dues and special assessments in favor of the union. Such a situation militated against the legitimacy of the authorization for the P4.2 million check-off by a majority of USTFU membership. Although the law does not prescribe a particular form for the written authorization for the levy or check-off of special assessments, the authorization must, at the very least, embody the genuine consent of the union member.

The failure of the Mariño Group to strictly comply with the requirements set forth by the Labor Code, as

amended, and the USTFU Constitution and By-Laws, invalidates the questioned special assessment. Substantial compliance is not enough in view of the fact that the special assessment will diminish the compensation of the union members. Their express consent is required, and this consent must be obtained in accordance with the steps outlined by law, which must be followed to the letter. No shortcuts are allowed.[52]

Viewed in this light, the Court does not hesitate to declare as illegal the check-off of P4.2 million, from the P42 million economic benefits package, for union dues and special assessments for the Labor Education Fund and attorney's fees. Said amount rightfully belongs to and should be returned by petitioners to the intended beneficiaries thereof, i.e., members of the collective bargaining unit, whether or not members of USTFU. This directive is without prejudice to the right of petitioners to seek reimbursement from the other USTFU officers and directors, who were part of the Mariño Group, and who were equally responsible for the illegal check-off of the aforesaid amount.

(3) Election of new officers

Having been overtaken by subsequent events, the Court need no longer pass upon the issue of the validity of the order of BLR for USTFU to conduct its long overdue election of union officers, under the control and supervision of the DOLE-NCR Regional Director.

The BLR issued such an order since USTFU then had two groups, namely, the Mariño Group and the Gamilla Group, each claiming to be the legitimate officers of USTFU.

The DOLE-NCR Regional Director, in his Decision dated 27 May 1999, decreed that the Mariño Group be expelled from their positions as USTFU officers. But then, the BLR, in its Decision promulgated on 9 March 2000, declared that the change of officers could best be decided, not by expulsion, but by the general membership of the union through the conduct of election, under the control and supervision of the DOLE-NCR Regional Director. In its assailed Decision dated 16 March 2001, the Court of Appeals agreed with the BLR judgment in its ruling that the conduct of an election, under the control and supervision of the DOLE-NCR Regional Director, is necessary to settle the question of who, as between the officers of the Mariño Group and of the Gamilla Group, are the legitimate officers of the USTFU.

The Court points out, however, that neither the Decision of the BLR nor of the Court of Appeals took into account the fact that an election of USTFU officers was already conducted on 14 January 2000, which was won by the Gamilla Group. There is nothing in the records to show that the said election was contested or made the subject of litigation. The Gamilla Group had exercised their powers as USTFU officers during their elected term. Since the term of union officers under the USTFU Constitution and By-Laws was only for three years, then the term of the Gamilla Group already expired in 2003. It is already beyond the jurisdiction of this Court, in the present Petition, to still look into the subsequent elections of union officers held after 2003.

The election of the Gamilla Group as union officers in 2000 should have already been recognized by the BLR and the Court of Appeals. The order for USTFU to conduct another election was only a superfluity. The issue of who between the officers of the Mariño Group and of the Gamilla Group are the legitimate USTFU officers has been rendered moot by the succeeding events in the case.

WHEREFORE, premises considered, the Petition for Review under Rule 45 of the Rules of Court is hereby DENIED. The Decision dated 16 March 2001 and the Resolution dated 30 August 2001 of the Court of Appeals in CA-G.R. SP No. 60657, are hereby AFFIRMED WITH MODIFICATIONS. Petitioners are hereby ORDERED to reimburse, jointly and severally, to the faculty members of the University of Sto. Tomas, belonging to the collective bargaining unit, the amount of P4.2 million checked-off as union dues and special assessments for the

Labor Education Fund and attorney's fees, with legal interest of 6% per annum from 15 December 1994, until the finality of this decision. The order for the conduct of election for the officers of the University of Sto. Tomas Faculty Union, under the control and supervision of the Regional Director of the Department of Labor and Employment-National Capital Region, is hereby DELETED. No costs.

SO ORDERED.

Ynares-Santiago, (Chairperson), Carpio[*], Velasco, Jr., and Nachura, JJ., concur.

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[*]Associate Justice Antonio T. Carpio was designated to sit as additional member replacing Associate Justice Eduardo M. Peralta per Raffle dated 1 July 2009.

[1] Rollo, pp. 14-68.

[2] Penned by the then Associate Justice Romeo J. Callejo, Sr. with Associate Justices Renato C. Dacudao and Perlita J. Tria Tirona, concurring; rollo, pp. 69-92.

[3] Rollo, p. 93.

[4] As alleged by herein respondents in their complaints before the Med-Arbiter and admitted by herein petitioners in their responsive pleadings, the following were the then Executive Officers and Directors of the USTFU:

EDUARDO J. MARIÑO, JR. - President
MA. MELVYN P. ALAMIS - Executive Vice-President
MYRNA P. HILARIO - Internal Vice-President
URBANO F. AGALABIA - External Vice-President
LILY B. MATIAS - Vice-President For Labor Education And Research
ANTHONY D. CURA - Vice-President For Grievance And Complaints
NORMA P. COLLANTES - Secretary-General
PORFIRIO JOSE B. GUICO - Treasurer
ZENAIDA C. BURGOS - Public Relations Officer
MILAGROSA G. NINO - Auditor
RENE V. SISON - Sergeant-At-Arms
RONALDO G. ASUNCION - Director
ROSY ATIENZA - Director
NOEL FIEDACAN - Director
FULVIO MA. L. GUERRERO - Director
TERESITA MEER - Director
FERNANDO PEDROSA - Director
ZENAIDA REALUYO - Director
NILDA REDOBLADO - Director
EVELYN TIROL - Director (CA rollo, p. 114.)

[5] ART. 253-A. Terms of a collective bargaining agreement. - Any Collective Bargaining Agreement that the parties may enter into shall, insofar as the representation aspect is concerned, be for a term of five (5) years. x x x. All other provisions of the Collective Bargaining Agreement shall be renegotiated not later than three (3) years after its execution. x x x. (As amended by Section 21, Republic Act No. 6715, 21 March 1989).

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[6] Rollo, pp. 142-144.

[7] Rollo, p. 145; CA rollo, pp. 159-165.

[8] Records, Folder II, p. 80.

[9] Id. at 78-79.

[10] Except for respondent Gil Y. Gamilla.

[11] CA rollo, pp. 90-97.

[12] Except for respondents Gil Y. Gamilla and Edna B. Sanchez.

[13] Rollo, pp. 146-150.

[14] Records, Folder VI, pp. 77-80.

[15] Except for respondents Gil Y. Gamilla and Edna B. Sanchez.

[16] Rollo, pp. 151-169.

[17] UST Faculty Union v. Bitonio, G.R. No. 131235, 16 November 1999.

[18] With the exceptions of respondents Rene Luis Tagle, Edna B. Sanchez, Zenaida Gamilla and Aurora Domingo. Additional complainants were: Irma Potenciano, Editha Ocampo, Luz De Guzman, Gliceria Baldres, Ferdinand Limos, Hidelita Gabo, Corazon Cui, Rene Arnejo, Cesar Reyes, Natividad Santos, Celso Niera, Zenaida Famorca, Philip Aguilnaldo, Benedicta Alava, Laura Abara, Leoncio Casal and Carmelita Espina.

[19] CA rollo, pp. 266-276.

[20] Section 1, Rule XIV (INTRA-UNION DISPUTES) of the Rules Implementing Book V provides:

Section 1. Complaint; who may file. - Any member of a union may file with the Regional Director a complaint for any violation of the constitution and by-laws and the rights and conditions of membership under Article 241 of the Code. However, if the issue involves the entire membership of the union, the complaint shall be supported by at least thirty percent (30%) of the members of the federation, national union, local/chapter, affiliate or independent union, as the case may be, at the time of the filing thereof. Such complaint shall be filed in the Regional Office where the union is domiciled.

[21] Penned by Regional Director Maximo B. Lim; rollo, pp. 188-212.

[22] Article 241(c) of the Labor Code, as amended, provides:

(c) x x x. The secretary or any other responsible union officer shall furnish the Secretary of Labor and Employment with a list of the newly-elected officers, together with the appointive officers or agents who are entrusted with the handling of funds, within thirty (30) calendar days after the election of officers or from the occurrence of any change in the list of officers of the labor organization. [As amended by Section 16, Republic Act No. 6715, 21 March 1989.]

[23] Article 241 (l) of the Labor Code, as amended, provides:

(l) The treasurer of any labor organization and every officer thereof who is responsible for the account of such organization for the collection, management, disbursement, custody or control of the funds, moneys and other properties of the organization, shall render to the organization and to its members a true and correct account of all moneys received and paid by him since he assumed office or since the last day on which he rendered such

account, and of all bonds, securities and other properties of the organization entrusted to his custody or under his control. x x x.

x x x x

The account shall be duly audited and verified by affidavit and a copy thereof shall be furnished the Secretary of Labor.

[24] AN ACT PROVIDING GOVERNMENT ASSISTANCE TO STUDENTS AND TEACHERS IN PRIVATE EDUCATION AND APPROPRIATING FUNDS THEREFOR.

[25] CA rollo, pp. 300-301

[26] Id. at 303-341.

[27] Records, Folder IX, pp. 92-93.

[28] The individuals elected on the 14 January 2000 elections are:

GIL Y. GAMILLA, M.D. - President
NORMA S. CALAGUAS - Executive Vice-President
EDITH B. OCAMPO - Internal Vice-President
IRMA P. E. POTENCIANO - External Vice-President for President
ERNESTUS C. PADILLA - Vice-President For Labor Education And Research
GLICERIA B. BALDRES - Vice-President For Legal Affairs
MINERVA B. RIVERA - Vice-President For Grievance And Complaints
MA. LOURDES C. MEDINA - Secretary-General
HIDELITA R. GABO - Treasurer
REMEDIOS T. GARCIA - Public Relations Officer
CORAZON O. QUI - Auditor
LEONCIO R. CASAL - Sergeant-At-Arms
RENE LUIS M. TADLE - Director
AURORA L. DOMINGO - Director
FERDINAND E. LIMOS - Director
BENEDICTA B. ALAVA - Director
CESAR M. REYES, M.D. - Director
GIL Y. GARCIA - Director
CELSO M. NIERRA - Director
JIMMY T. RICO, Ph.D. - Director

[29] Records, Folder IX, pp. 87-91.

[30] Penned by Director Benedicto Ernesto R. Bitonio, Jr.; rollo, pp. 213-223.

[31] G.R. No. L-58870, 18 December 1987, 156 SCRA 629.

[32] G.R. No. L-58870, 15 April 1988, 160 SCRA 503.

[33] Article 222 (b) of the Labor Code, as amended, provides:

Art. 222. Appearances and Fees. - x x x.

(b) No attorney's fees, negotiation fees or similar charges of any kind arising from any collective bargaining

negotiations or conclusion of the collective agreement shall be imposed on any individual member of the contracting union: Provided, however, That attorney's fees may be charged against union funds in an amount to be agreed upon by the parties. Any contract, agreement or arrangement of any sort to the contrary shall be null and void. (As amended by Presidential Decree No. 1691, 1 May 1980).

[34] CA rollo, pp. 384-401.

[35] Rollo, pp. 224-226.

[36] Id. at 227-293.

[37] Article 241(n) of the Labor Code, as amended, provides:

(n) No special assessment or other extraordinary fees may be levied upon the members of a labor organization unless authorized by a written resolution of a majority of all the members at a general membership meeting duly called for the purpose. The secretary of the organization shall record the minutes of the meeting including the list of all members present, the votes cast, the purpose of the special assessment or fees and the recipient of such assessment or fees. The record shall be attested to by the president.

[38] CA rollo, pp. 528-536.

[39] Section 1. Committee on election; constitution. - In the absence of any agreement among the members or of any provision in the constitution and by-laws of the labor organization or workers association, the following guidelines may be adopted in the election of officers:

x x x x

(b) x x x In case of an election the conduct of which was ordered by the Regional Director, the chairman of the committee shall be a representative of the Labor Relations Division of the Regional Office.

[40] CA rollo, pp. 536-538.

[41] Id. at 539.

[42] Rollo, 324-336.

[43] Id. at 93.

[44] CA rollo, p. 87.

[45] Republic Act No. 6728, Section 2.

[46] Id., Section 4.

[47] SEC. 9. Further Assistance to Students in Private Colleges and Universities.- Tuition fee supplements for non-freshmen students of private colleges and universities in priority course programs determined by the Department of Education, Culture and Sports shall be provided by the government through a voucher system x x x.

[48] Cebu Institute of Medicine v. Cebu Institute of Medicine Employees' Union-National Federation of Labor, 413 Phil. 32, 38 (2001).

[49] Bank of the Philippine Islands Employees Union-Associated Labor Unions (BPIEU-ALU) v. National Labor Relations Commission, G.R. Nos. 69746-47, 31 March 1989, 171 SCRA 556, 569.

[50] ABS-CBN Supervisors Employees Union Members v. ABS-CBN Broadcasting Corp., 364 Phil. 133, 142

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(1999).

[51] Id.

[52] Palacol v. Ferrer-Calleja, G.R. No. 85333, 26 February 1990, 182 SCRA 710, 717.

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