

**CAPITOL MEDICAL CENTER, INC., PETITIONER, VS. HON. CRESENCIANO B. TRAJANO, IN HIS CAPACITY AS SECRETARY OF THE DEPARTMENT OF LABOR AND EMPLOYMENT, AND CAPITOL MEDICAL CENTER EMP...**

*G.R. NO. 155690. June 30, 2005*

Ponente: SANDOVAL-GUTIERREZ, J.

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**SANDOVAL-GUTIERREZ, J.:**

For our resolution is the instant petition for review on certiorari under Rule 45 of the 1997 Rules of Civil Procedure, as amended, assailing the Decision[1] dated September 20, 2001 and the Resolution[2] dated October 18, 2002 rendered by the Court of Appeals in CA-G.R. SP No. 53479, entitled “Capitol Medical Center, Inc. vs. Hon. Cresenciano B. Trajano, in his capacity as Secretary of the Department of Labor and Employment and Capitol Medical Center Employees Association-AFW.”

The factual antecedents as gleaned from the records are:

Capitol Medical Center, Inc., petitioner, is a hospital with address at Panay Avenue corner Scout Magbanua Street, Quezon City. Upon the other hand, Capitol Medical Center Employees Association-Alliance of Filipino Workers, respondent, is a duly registered labor union acting as the certified collective bargaining agent of the rank-and-file employees of petitioner hospital.

On October 2, 1997, respondent union, through its president Jaime N. Ibabao, sent petitioner a letter requesting a negotiation of their Collective Bargaining Agreement (CBA).

In its reply dated October 10, 1997, petitioner, challenging the union’s legitimacy, refused to bargain with respondent. Subsequently or on October 15, 1997, petitioner filed with the Bureau of Labor Relations (BLR), Department of Labor and Employment, a petition for cancellation of respondent’s certificate of registration, docketed as NCR-OD-9710-006-IRD.[3]

For its part, on October 29, 1997, respondent filed with the National Conciliation and Mediation Board (NCMB), National Capital Region, a notice of strike, docketed as NCMB-NCR-NS-10-453-97. Respondent alleged that petitioner’s refusal to bargain constitutes unfair labor practice. Despite several conferences and efforts of the designated conciliator-mediator, the parties failed to reach an amicable settlement.

On November 28, 1997, respondent staged a strike.

On December 4, 1997, former Labor Secretary Leonardo A. Quisumbing, now Associate Justice of this Court, issued an Order assuming jurisdiction over the labor dispute and ordering all striking workers to return to work and the management to resume normal operations, thus:

“WHEREFORE, this Office assumes jurisdiction over the labor disputes at Capitol Medical Center pursuant to Article 263 (g) of the Labor Code, as amended. Consequently, all striking workers are directed to return to

work within twenty-four (24) hours from the receipt of this Order and the management to resume normal operations and accept back all striking workers under the same terms and conditions prevailing before the strike. Further, parties are directed to cease and desist from committing any act that may exacerbate the situation.

Moreover, parties are hereby directed to submit within 10 days from receipt of this Order proposals and counter-proposals leading to the conclusion of the collective bargaining agreement in compliance with aforementioned Resolution of the Office as affirmed by the Supreme Court.

SO ORDERED.”

Petitioner then filed a motion for reconsideration but was denied in an Order dated April 27, 1998.

On June 23, 1998, petitioner filed with this Court a petition for certiorari assailing the Labor Secretary’s Orders. Pursuant to our ruling in *St. Martin Funeral Home vs. The National Labor Relations Commission, et al.*, [4] we referred the petition to the Court of Appeals for its appropriate action and disposition.

Meantime, on October 1, 1998, the Regional Director, in NCR-OD-9710-006-IRD, issued an Order denying the petition for cancellation of respondent union’s certificate of registration.[5]

On September 20, 2001, the Appellate Court rendered a Decision affirming the Orders of the Secretary of Labor. The Court of Appeals held:

“Anent the first issue raised by the petitioner, We find the same untenable. The public respondent acted well within his duty to order the petitioner hospital to bargain collectively, for it was the surest way to end the dispute. In *LMG Chemicals Corporation vs. Secretary of the Department of Labor and Employment*, the Hon. Leonardo A. Quisumbing and *Chemical Worker’s Union* (G.R. No. 127422, April 17, 2001), the Supreme Court made the following pronouncement, to wit:

‘It is well settled in our jurisprudence that the authority of the Secretary of Labor to assume jurisdiction over a labor dispute causing or likely to cause a strike or lockout in an industry indispensable to national interest includes and extends to all questions and controversies arising therefrom. The power is plenary and discretionary in nature to enable him to effectively and efficiently dispose of the primary dispute.

x x x x x

Indeed, We find no grave abuse of discretion on the part of respondent Secretary of Labor whose power is plenary and includes the resolution of all controversies arising from the labor dispute. In fact, he was merely following the directive laid down by the Supreme Court (Decision dated February 4, 1997) in the case of *Capitol Medical Center Alliance of Concerned Employees-Unified Filipino Service Workers (CMC-ACE-UFSW) vs. Hon. Bienvenido E. Laguesma, Undersecretary of the Department of Labor and Employment, Capitol Medical Center Employees Association-Alliance of Filipino Workers and Capitol Medical Center Incorporated and Dra. Thelma Clemente, President*, ordering petitioner hospital to collectively bargain with the Capitol Medical Center Employees Association-Alliance of Filipino Workers (private respondent herein) – the certified bargaining agent.

As earlier mentioned, the petition for cancellation was dismissed by the regional director in a decision dated September 30, 1998. x x x.

x x x x x

Said decision by the regional director was affirmed by the Director of the Bureau of Labor Relations in a resolution dated December 29, 1998, dismissing the appeal of the petitioner hospital from the said DOLE-NCR’s decision.

Finally, the petition for certiorari (docketed as CA-G.R. SP No. 52736) entitled – Capitol Medical Center, Inc. vs. Hon. Benedictor R. Bitonio, Jr., in his capacity as Director of the Bureau of Labor Relations, Department of Labor and Employment; Hon. Maximo B. Lim in his capacity as Regional Director, National Capital Region, Department of Labor and Employment and Capitol Medical Center Employees Association (CMCEA-AFW), was dismissed in a decision dated January 11, 2001. The motion for reconsideration which was subsequently filed was denied on March 23, 2001.

x x x x x

In order to allow an employer to validly suspend the bargaining process, there must be a valid petition for certification election. The mere filing of a petition does not ipso facto justify the suspension of negotiation by the employer (Colegio de San Juan de Letran vs. Association of Employees and Faculty of Letran and Eleanor Ambas, G.R. No. 141471, September 18, 2000). If pending a petition for certification, the collective bargaining is allowed by the Supreme Court to proceed, with more reason should the collective bargaining (in this case) continue since the High Court had recognized the respondent as the certified bargaining agent in spite of several petitions for cancellation filed against it.

x x x x x

Secondly, We are inclined to agree with the public respondent's statement that 'the primary assumption of jurisdiction may be exercised by this Office even without the necessity of prior notice or hearing given to any of the parties disputants.' (page 56 of the Rollo).

x x x x x

We are also not convinced by the arguments raised by the petitioner with respect to its third assigned error. This Court fails to see any supervening event that would render the execution of the decision of public respondent impossible. The petitioner asserts that the respondent union has lost its legitimacy, but at every turn it has been ruled by the various labor administrative officials that the respondent union is legitimate. It has failed to convince the labor administrative officials, We are likewise not persuaded. Unless and until the Certificate of Registration of the union is cancelled, it (union) remains the certified bargaining agent and the Hospital has the duty to enter into a collective bargaining agreement with it.

x x x x x

WHEREFORE, premises considered, the instant petition is DENIED, hereby AFFIRMING the two assailed orders, dated December 4, 1997 and April 27, 1998, of the public respondent in OS-AJ-0024-97 (NCMB-NCR-NS-10-453-97).

SO ORDERED."

On October 18, 2002, the Court of Appeals issued a Resolution denying petitioner's motion for reconsideration.

Hence, this petition for review on certiorari.

Petitioner contends that its petition for the cancellation of respondent union's certificate of registration involves a prejudicial question that should first be settled before the Secretary of Labor could order the parties to bargain collectively.

We are not persuaded.

As aptly stated by the Solicitor General in his comment on the petition, the Secretary of Labor correctly ruled that the pendency of a petition for cancellation of union registration does not preclude collective bargaining, thus:

"That there is a pending cancellation proceedings against the respondent Union is not a bar to set in motion the

mechanics of collective bargaining. If a certification election may still be ordered despite the pendency of a petition to cancel the union's registration certificate (National Union of Bank Employees vs. Minister of Labor, 110 SCRA 274), more so should the collective bargaining process continue despite its pendency. We must emphasize that the majority status of the respondent Union is not affected by the pendency of the Petition for Cancellation pending against it. Unless its certificate of registration and its status as the certified bargaining agent are revoked, the Hospital is, by express provision of the law, duty bound to collectively bargain with the Union. Indeed, no less than the Supreme Court already ordered the Hospital to collectively bargain with the Union when it affirmed the resolution of this Office dated November 18, 1994 directing the management of the Hospital to negotiate a collective bargaining agreement with the Union. That was the categorical directive of the High Court in its Resolution dated February 4, 1997 in Capitol Medical Center Alliance of Concerned Employees-United Filipino Service Worker vs. Hon. Bienvenido E. Laguesma, et al., G.R. No. L-118915."

Moreover, as mentioned earlier, during the pendency of this case before the Court of Appeals, the Regional Director, in NCR-OD-9710-006-IRD, issued an Order on October 1, 1998 denying the petition for cancellation of respondent's certificate of registration. This Order became final and executory and recorded in the BLR's Book of Entries of Judgments on June 3, 1999.

Petitioner also maintains that the Secretary of Labor cannot exercise his powers under Article 263 (g) of the Labor Code without observing the requirements of due process.

Article 263 (g) of the Labor Code, as amended, provides:

"ART. 263. Strikes, Picketing and Lockouts. –

x x x x x

(g) When, in his opinion, there exists a labor dispute causing or likely to cause a strike or lockout in an industry indispensable to the national interest, the Secretary of Labor and Employment may assume jurisdiction over the dispute and decide it or certify the same to the Commission for compulsory arbitration. Such assumption or certification shall have the effect of automatically enjoining the intended or impending strike or lockout as specified in the assumption or certification order. If one has already taken place at the time of assumption or certification, all striking or locked out employees shall immediately resume operations and readmit all workers under the same terms and conditions prevailing before the strike or lockout. The Secretary of Labor and Employment or the Commission may seek the assistance of law enforcement agencies to ensure compliance with this provision as well as with such orders as he may issue to enforce the same.

x x x. In labor disputes adversely affecting the continued operation of such hospitals, clinics or medical institutions, it shall be the duty of the striking union or locking-out employer to provide and maintain an effective skeletal workforce of medical and other health personnel, whose movement and services shall be unhampered and unrestricted, as are necessary to insure the proper and adequate protection of the life and health of its patients, most especially emergency cases, for the duration of the strike or lockout. In such cases, therefore, the Secretary of Labor and Employment is mandated to immediately assume, within twenty-four (24) hours from knowledge of the occurrence of such a strike or lockout, jurisdiction over the same or certify it to the Commission for compulsory arbitration. For this purpose, the contending parties are strictly enjoined to comply with such orders, prohibitions and/or injunctions as are issued by the Secretary of Labor and Employment or the Commission, under pain of immediate disciplinary action, including dismissal or loss of employment status or payment by the locking-out employer of backwages, damages and other affirmative relief, even criminal prosecution against either or both of them.

The foregoing notwithstanding, the President of the Philippines shall not be precluded from determining the industries that, in his opinion, are indispensable to the national interest, and from intervening at any time and assuming jurisdiction over any such labor dispute in order to settle or terminate the same.

x x x x x.”

In *Magnolia Poultry Employees Union vs. Sanchez*,<sup>[6]</sup> we held that the discretion to assume jurisdiction may be exercised by the Secretary of Labor and Employment without the necessity of prior notice or hearing given to any of the parties. The rationale for his primary assumption of jurisdiction can justifiably rest on his own consideration of the exigency of the situation in relation to the national interests.

In sum, petitioner’s submissions are bereft of merit.

WHEREFORE, the petition is DENIED. The assailed Decision dated September 20, 2001 and the Resolution dated October 18, 2002 of the Court of Appeals in CA-G.R. SP No. 53479 are AFFIRMED. Costs against petitioner.

**SO ORDERED.**

Panganiban, (Chairman), Corona, Carpio-Morales, and Garcia, JJ., concur.

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[1] Penned by Justice Ramon Mabutas, Jr. (retired), and concurred in by Justice Roberto A. Barrios and Justice Edgardo P. Cruz, Annex “A” of the Petition, Rollo at 31-41.

[2] Annex “B”, id. at 42-44.

[3] The petition alleged as ground for cancellation of respondent union’s certificate of registration its violation of Article 239 of the Labor Code or its failure to submit the annual financial statements from 1992 to 1996.

[4] G.R. No. 130866, September 16, 1998, 295 SCRA 494, holding that a petition for certiorari assailing the decision or order of the Secretary of Labor should be initially filed with the Court of Appeals, no longer with this Court, pursuant to the doctrine of hierarchy of courts.

[5] Upon appeal, the BLR issued a Resolution dated December 29, 1998 affirmed the Regional Director’s Order. Petitioner then filed a motion for reconsideration but was denied in a Resolution dated March 4, 1999. Subsequently, an Entry of Judgment was issued on June 3, 1999.

[6] G.R. No. 76227-28, November 5, 1986, Minute Resolution. See also C.A. Azucena, Jr., *The Labor Code with Comments and Cases*, Vol.II, Fourth Edition 1999, Reprinted 2001 at 452.

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