

U.S.T. PRESS, PETITIONER, VS. NATIONAL LABOR UNION, ET AL., RESPONDENTS.

G. R. No. 17207 & 17372. October 30, 1962

Ponente: BAUTISTA ANGELO, J.

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BAUTISTA ANGELO, J.:

On October 1, 1955, Fr. Excelso Garcia was appointed director of the U.S.T. Press and on the same date he assumed office. One month thereafter, he received a directive from the Rector of the University of Santo Tomas prohibiting the U.S.T. Press from accepting outside jobs and ordering it to confine its printing exclusively to jobs coming from the University of Santo Tomas and its departments or from the Dominican fathers. On the same date, a copy of this directive was posted on the bulletin board of the U.S.T. Press for the information of its employees.

On November 12, 1955, Fr. Garcia wrote a letter to one Servillano Caliolio, an employee of the U.S.T. Press suggesting that he resign from his position due to the loss of films in said press for which he was blamed and for the improper filing of certain records concerning outside jobs. The intervention of Mr. Eulogio Lerum in his behalf was not given recognition.

Due to the above directive, it became necessary to reduce the personnel of the U.S.T. Press and so Fr. Garcia decided to lay off one from each department. To this effect, Gertrudes Cortez, Eduardo Mendoza, Serafin Banez and Artemio Juson were served written notices informing them that 30 days from receipt their services would be terminated.

When the academic years 1955-1956 was about to close, it was decided by the Father Rector to dispose of the printing press because (1) there was no sufficient personnel among the Dominican fathers who could devote their time to the religious and educational objectives of the Order and the services of Fr. Garcia were needed elsewhere; (2) there was no one among the Dominican fathers who has special knowledge of printing operations; and (3) the Dominican fathers did not wish to engage in the printing business. But since there was no one who could offer commensurate price the U.S.T. Press was leased instead to the Novel Publishing Company which took over the press on June 1, 1956.

On March 24, 1956, Fr. Garcia posted a notice on the bulletin board that 30 days from said date the press will cease operations. On April 21, 1956, the Novel Publishing Company posted also a notice on the bulletin board advising everyone that the new management will take over the operation on June 1, 1956 and that those who are interested in joining the new management may apply on April 26, 1956. Another notice was posted advising the employees that upon suggestion of the University of Santo Tomas the new management is giving preference to present employees, and to that effect the filing of applications was extended to May 10, 1956. A portion of the employees filed their applications, but others did not file any because they were either not interested or failed to do so upon instruction of the union with which they were affiliated. As a consequence, those who failed to file their applications were laid off.

Considering that the separation from the service of Gertrudes Cortez, Artemio Juson, Eduardo Mendoza, Serafin

Banez and Servillano Caliolio was due to a supposed interference by Fr. Excelso Garcia with their membership in the union to which they belonged, and the non-employment by the Novel Publishing Company of those employees who, of their own volition, did not file applications for employment with the company was also due to a supposed discrimination on the part of Fr. Garcia against union members, two cases for unfair labor practice were filed by the U.S.T. Press unit of the National Labor Union against the U.S.T. Press belonging to the University of Santo Tomas. These cases were docketed in the Court of Industrial Relations as Cases Nos. 862-ULP and 977-ULP.

It should be stated, in passing, that five of the employees who were included as complainants filed separate manifestations to the effect that their dismissals were not due to union activities but for reasons stated in the letters they sent to Fr. Excelso Garcia.

On August 27, 1958, the University of Santo Tomas filed a motion to dismiss alleging, among other grounds, that (a) the U.S.T. Press is neither a natural nor a juridical person and hence it cannot be sued as respondent; and (b) the U.S.T. Press, not being a natural or juridical person, the proper respondent in the two cases is the University of Santo Tomas, to which it belongs, but since Republic Act 875 does not apply to said university, the Court of Industrial Relations has no jurisdiction over said university for purposes of these two cases.

Upon agreement of both parties, the two cases were jointly tried, and, on November 29, 1958, the Court of Industrial Relations, thru Presiding Judge Jose S. Bautista, who received the evidence, rendered decision in favor of the National Labor Union declaring the U.S.T. Press guilty of unfair labor practice and ordering as a consequence the reinstatement of those employees allegedly separated due to unfair labor practice to their former jobs with payment of back wages from the date of their dismissal to their actual reinstatement.

On December 9, 1958, the U.S.T. Press filed a motion for reconsideration wherein it reiterated the same grounds it had invoked in its motion to dismiss filed on August 27, 1958, but this motion was denied by the court en banc in a split decision. Presiding Judge Bautista, with whom Judges Villanueva and Martinez concurred, affirmed the decision of the trial judge insofar as the jurisdiction of the court over the subject matter is concerned, though the latter two differed with regard to other portions of the decision. Judges Tabigne and Bugayong dissented mainly on the question of jurisdiction. They held the view that Republic Act 875 does not apply to the University of Santo Tomas, it being an institution operated not for profit, but for strictly educational purposes.

The U.S.T. Press interposed the present petition for review.

It is an admitted fact that the U.S.T. Press is neither a natural nor juridical person but is a press mainly operated, administered and owned by the University of Santo Tomas. Such being the case the U.S.T. Press has no personality to be a party in these cases in its own right, the real party in interest being the University of Santo Tomas to which it belongs. If the real party in interest is this university, then it logically follows that the Court of Industrial Relations has no jurisdiction over it insofar as the instant two cases are concerned, since this Court has already held in a number of cases that Republic Act 875 does not apply to an institution which is not organized for profit but for charitable or educational purposes.[1] Admittedly, the University of Santo Tomas is not one organized for profit, but strictly for educational purposes.

It may be true that the U.S.T. Press used to accept outside printing jobs, but this work is merely incidental, for its main function is to do jobs coming from the University of Santo Tomas and its departments or from the Dominican fathers. Moreover, the record is not clear that in so accepting outside printing jobs the press realized profits. And even assuming that it made profits from such work, the fact still remains that there is no proof that part of such earnings or profits was ever distributed as dividends to any stockholder, as in fact none was so distributed because they accrued to the benefit of the University of Santo Tomas which is a non-profit educational

institution. Indeed, in the recent case of *University of Santo Tomas vs. Villanueva, et al.*, 106 Phil., 439; promulgated October 30, 1959, this Court held:

"* * * University of Santos Tomas is not an industry organized for profit but an institution of learning devoted exclusively to the education of the youth. * * * The University declares no dividend, and the members of the corporation who founded it, as ordained in its articles of incorporation, receive no material compensation for the time and sacrifice they render to the University and its students. * * * It is apparent, therefore, that on the face of the record the University of Santo Tomas is not a corporation created for profit but an educational institution and therefore not an industrial or business organization."

Wherefore, the decision subject of the present appeal is reversed. The two charges of unfair labor practice filed against the U.S.T. Press are hereby dismissed. No costs.

Bengzon, C. J., Padilla, Labrador, Paredes, Dizon, Regala and Makalintal, JJ., concur.

[1] *U.S.T. Hospital Employees Association vs. Sto. Tomas University Hospital*, 95 Phil., 40; *San Beda College vs. CIR, et al.*, 97 Phil., 787; 51 Off. Gaz., [11] 5636; *Quezon Institute, et al. vs. Velasco*, 97 Phil., 905, 51 Off. Gaz., (12) 6175; *Boy Scouts of the Philippines vs. Araos*, 102 Phil., 1080; *University of San Agustin vs. Court of Industrial Relations, et al.*, 103 Phil., 926; 60 Off. Gaz. (29) 4241; *The Elks Club vs. The United laborers & Employees of the Elks Club*, 105 Phil., 204; *Cebu Chinese High School, et al., vs. Philippine-Land-Air-Sea Labor Union (PLASLU), et al.*, L-12015, April 22, 1959. *The University of the Philippines, et al., vs. CIR, et al.*, 107 Phil., 848.

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