

TEODORICO S. MIRANDA, JR., PETITIONER, VS. ASIAN TERMINALS, INC. (ATI) AND COURT OF APPEALS, RESPONDENTS.*G.R. No. 174316. June 23, 2009*

Ponente: PUNO, C.J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-174316/>**PUNO, C.J.:**

At bar is a petition for review on certiorari under Rule 45 of the Rules of Court, seeking the review and reversal of the amended decision,[1] dated August 31, 2005, and resolution,[2] dated August 25, 2006, of the Court of Appeals in two separate but consolidated petitions for certiorari docketed as CA G.R. SP No. 68283 and CA G.R. SP No. 77174, both entitled Teodorico S. Miranda, Jr. v. National Labor Relations Commission (NLRC) and Asian Terminals, Inc. (ATI or the company). The amended decision of the Court of Appeals dismissed the petitioner's consolidated petitions for being moot and academic and the motion for reconsideration of the petitioner was denied by the Court of Appeals.

In this petition for review on certiorari, the petitioner seeks the reinstatement of the decision[3] of the Court of Appeals, dated June 27, 2005, which reversed and set aside the resolutions of the NLRC. The NLRC resolutions that were set aside by the Court of Appeals remanded the case to the Labor Arbiter for clarification of his decision and ordered the issuance of a temporary restraining order against the execution of the judgment.

Let us examine the facts.

Petitioner Teodorico S. Miranda, Jr. was employed by respondent ATI in 1991 as Checker I. He also became a member of the Associated Port Checkers and Workers Union (APCWU or the union).[4] On April 10, 1992, the petitioner, who was then the Vice President of the union, was appointed to the position of Shop Steward which is a union position under the payroll of the company.[5] The Collective Bargaining Agreement (CBA) between the union and ATI provided for the appointment of a Shop Steward from among the union members, upon the recommendation of the union president. The Shop Steward is a field representative of both the company and the union and acts as an independent arbiter of all complaints brought to his attention.[6]

On December 28, 1993, Roger P. Silva, the President of APCWU, wrote a letter[7] to the petitioner regarding the recall of his designation as the union Shop Steward. The union president explained that the petitioner was recalled as union Shop Steward due to loss of trust and confidence in him, pursuant to the "Agreement Amending the MPSI (Marina Port Services, Inc.) - APCWU CBA." The letter further stated that the petitioner refused to heed the union president's reminders concerning his "chronic absenteeism" that "is hurting the interest of the Union members as they are left with no responsible union officer when summoned for investigation concerning alleged infractions of company rules." [8] The union president further wrote that the decision to dismiss the petitioner came only after a series of personal dialogues and after the petitioner had been given ample opportunity to efficiently perform the duties and obligations of a Shop Steward assigned to the night shift. The union president then gave the petitioner five days from receipt of the letter to explain why he should not be recalled as Shop Steward for chronic absenteeism which started from the second week of September 1993 until December 28,

1993.

A rift then developed between the union leadership and certain union members, including the petitioner.[9] In June 1994, the petitioner and some of the members of APCWU sent an undated letter to ATI protesting the manner in which the APCWU leadership handled the affairs of the union.[10] This led to the formation of a grievance committee to investigate the complaints against the union officers, including the petitioner. The petitioner, however, refused to participate in the investigation.[11]

Upon the conclusion of the investigation, the grievance committee issued its report recommending to ATI the recall of the petitioner as Shop Steward and for his reversion to his former position of Checker I, in accordance with the CBA. [12] The petitioner questioned his recall as union Shop Steward, and the union president, Roger P. Silva, issued a letter which reasoned that the petitioner's recall as Shop Steward was pursuant to Section 13 of the Agreement Amending the MPSI-APCWU CBA, amending Section 2, Article V of the MPSI-APCWU CBA which required that the term of office of the Shop Steward shall be based on trust and confidence and favorable recommendation of the duly elected president of the Union.

Acting on the recommendation of the union, respondent ATI issued a Memorandum[13] to the petitioner regarding his transfer on January 11, 1994. The Memorandum cited the provision of the CBA, viz.:

Acting on the two letters dated 10 December 1993 of the APCWU-ATI (Local Chapter) and pursuant to Section 13 of the Agreement Amending of [sic] the APCWU-MPSI (now ATI) CBA which provides that:

"SECTION 13. - Article V, Section 2 is hereby amended to read as follows:

Section 2. The Shop Steward shall be an independent arbiter of all complaints and grievances brought before him as a field representative both of the COMPANY and the UNION. Only bonafide [sic] members of the UNION shall be designated as Shop Steward whose designation and term of office shall be based on trust and confidence and upon the favorable recommendation of the duly elected president of the UNION. In like manner shall the designation of the Union rotation representative posted in the hiring shall be based. [emphasis supplied]

"Section 2-A. Upon the recall of the designation as Shop Steward, or union representative, as the case maybe [sic], the party concerned shall revert back to his position occupied prior to the designation and shall receive the salary that corresponds to that particular office/position." [emphasis supplied]

[T]he management EFFECTIVE IMMEDIATELY hereby recalls the designation of Mr. Teodorico Miranda as Shop Steward and Mr. Rolando de Luna as Union Rotation Representative and designate[s] Mr. Hipolito Cruz as Shop Steward vice Teodorico Miranda, Jr. and Mr. Elpidio Valdez as Union Rotation Representative vice Mr. Rolando de Luna.

As per amendment quoted above, Messrs. Miranda and de Luna shall revert back to their position as Checker I and shall receive the salary that corresponds therefor.

The abovementioned personnel are directed to report to the Operations Department for further instructions and/or eventual deployment.

(Sgd.)

R.G. CORVITE, JR.[14]

The petitioner first filed a complaint against Roger Silva as the President of APCWU, Marina Local Chapter with the Department of Labor and Employment (DOLE), National Capital Region, docketed as Case No. NCR-OD-M-0403-005, praying for his reinstatement as Shop Steward. In an Order issued by the Mediation

Arbiter (Med-Arbiter) on August 1, 1994, the petitioner was ordered reinstated to the position of Shop Steward. The Med-Arbiter found that the union president did not have the authority to recall the petitioner as Shop Steward for lack of approval of the Board of Directors of the union. The Order of the Med-Arbiter was affirmed by the Secretary of Labor in a Resolution[15] dated February 23, 1995,[16] viz.:

It is noted that appellant Roger P. Silva relied heavily on the provisions of Article V, Section 2 of its CBA which provides that:

"Section 2. The shop steward shall be an independent arbiter of all complaints and grievances brought before him as a field representative both of the company and the union. Only bonafide [sic] members of the union shall be designated as shop steward whose designation and term of office shall be based on trust and confidence and upon the favorable recommendation of the duly elected president of the union. In like manner shall the designation of the union rotation representative posted in the hiring shall be based."

A close scrutiny of [t]he said provision however, would reveal that the designation of a shop steward and union rotation representative is only upon the favorable recommendation of the union president. In other words, it is not the union president who makes the appointment. The union president merely recommends.

Further, the union constitution and by-laws confers upon the Board of Directors the power "to approve appointments made by the President." The two (2) provisions taken together, would bring us to the conclusion that appointments or recommendations made by the union president needs [sic] the approval of the Board for validity. Consequently, recall of appointments likewise requires the imprimatur of the Board.

In the present case, the recall of appointment was made by the union president. It was not shown to be approved by the Board. Hence, it is clear that the recall is invalid, having been made by one unauthorized to do so.

Even assuming *arguendo*, that the union president has the power to recall appointments, still the action may not be upheld for being violative of complainants' right to due process.

Teodorico Miranda, Jr. was removed due to loss of trust and confidence primarily arising from alleged absenteeism. Except for such general allegation, no evidence was presented to substantiate the same. In fact, Miranda's subordinates executed affidavits to the effect that he never failed to assist them x x x. [T]he removal was effected without affording complainants the opportunity to present their side. There was no showing that an investigation was conducted prior to the removal of the complainants.[17] [emphasis supplied]

On October 3, 1995, the petitioner filed another complaint before the Med-Arbiter involving money claims in the form of allowances, 13[th] month pay, and attorney's fees. The complaint was dismissed by the Med-Arbiter, ruling that the Mediation Office of the DOLE has no jurisdiction over money claims, which must be brought before the company.[18]

The petitioner also filed a series of complaints before the NLRC. On January 1, 1995, the petitioner filed a complaint for unfair labor practice, which was later amended to illegal demotion with a claim for reduction or diminution in pay, against respondent ATI and/or Richard Barclay, the President of the respondent, and APCWU and/or Roger Silva, which was docketed as NLRC NCR Case No. 01-00881-95 and assigned to Labor Arbiter Donato Quinto, Jr. (Quinto). On July 3, 1996, Labor Arbiter Quinto issued a Decision[19] which dismissed the case against ATI for lack of cause of action reasoning that the petitioner "should institute the appropriate charges/complaint against the erring union official/leadership." [20] And since the petitioner has already obtained a favorable decision from the Secretary of Labor, then he should have the said judgment enforced and should compel the union president to have him designated as Shop Steward, under pain of contempt.[21]

While the cases filed by the petitioner were pending, on July 10, 1995, the petitioner was re-assigned from the

position of Checker I to Checker I Mobile, which is lower in rank than Checker I.[22] He was further re-assigned to Vessel Operation Checker, which is designated only to Checker Grades II and III and which positions were only assigned to casual Checkers.[23]

The petitioner then filed a second complaint in the NLRC against the respondent for unfair labor practice, illegal demotion and reduction and diminution of pay, docketed as NLRC NCR Case No. 00-02-01192-96, which was assigned to Labor Arbiter Fatima Jambaro-Franco (Jambaro-Franco). On June 18, 1996, Labor Arbiter Jambaro-Franco issued an Order[24] and dismissed the complaint as the case pending before Labor Arbiter Quinto involved the same parties and the same cause of action.

On December 12, 1996, a third complaint for Unfair Labor Practice and Illegal Demotion was filed by the petitioner against union president Roger Silva, the President of ATI, Richard Barclay, and the Operations Manager, Bonifacio Lomotan, which was docketed as NLRC-NCR Case No. 00-12-07641-96. The cause of action of the complaint was later amended on January 23, 1997[25] to illegal demotion in rank and discrimination, amounting to constructive dismissal. [26] The complaint was dismissed by Labor Arbiter Felipe T. Garduque II (Garduque) in an Order[27] issued on March 24, 1997 on the ground that the claim is barred by prior judgment since the decision of Labor Arbiter Quinto and the order of Labor Arbiter Jambaro-Franco were not appealed and have become final.[28] The petitioner appealed the order of Labor Arbiter Garduque before the Third Division of the NLRC on April 28, 1997. The Third Division of the NLRC issued an Order[29] remanding the case to the office of origin for further proceedings, reasoning that the principle of *res judicata* cannot be applied because the earlier decision and order rendered by Labor Arbiter Quinto and Labor Arbiter Jambaro-Franco were not decided on the merits of the case but were dismissed based on jurisdictional grounds.[30]

Upon remand of the case to the Arbitration Office of the NLRC, the case was re-raffled to Labor Arbiter Arthur L. Amansec (Amansec). On August 20, 1999, Labor Arbiter Amansec rendered a Decision[31] which ruled that the demotion from union Shop Steward to Checker 1 was for cause but was effected without observance of procedural due process. He ordered the respondent to pay the petitioner indemnity in consonance with the *Wenphil Doctrine*,[32] which was then the prevailing doctrine with respect to separation for a valid cause but through an invalid procedure. The dispositive portion of the decision made matters confusing for the parties since it declared the petitioner to be constructively dismissed and ordered the petitioner to be reinstated.

Labor Arbiter Amansec's decision states:

Regarding his appointment to the position of Shop Steward, subsequent recall therefrom and reversion to Checker 1, the management's approval of his recall and termination as Shop Steward cannot be adjudged as one constitutive of constructive dismissal. This is because when complainant was recalled as Shop Steward, he was immediately reverted to Checker 1, his original position. In other words, he continued to work with the company. He did not quit his employment.

While complainant cannot validly say that the Union President had no authority to recall him since under the CBA, the Union President was clearly so authorized, the manner of his recall and termination as Shop Steward did not meet the stringent requirements of due process.

It seems clear that the company approved his recall without providing the complainant an opportunity to explain why he should not be recalled. It is true that the union, through its Union President, sent him a show-cause letter prior to his recall, a due process compliance no doubt, but the company was not empowered to skirt due process by automatically affirming said recall. Being complainant's employer, the company had the primordial duty to provide the complainant an opportunity to explain why the company should not affirm, approve and adopt the union's recall prior to removing him as Shop Steward. Thus, the company's failure to observe due process in his recall as Shop Steward and concomitant reversion to Checker 1 entitles complainant

to a reasonable indemnity, following the Wenphil doctrine.

Regarding complainant's assignment, despite being Checker 1, as Checker 1 Mobile, then as Priority Receiving Checker, it will be observed that the position of Checker 1, [sic] Mobile and Priority Receiving Checker are inferior in rank and salary as complainant's position of Checker 1.

Complainant had the right to refuse complainant's transfer to an inferior position since there appears no justifiable basis therefor. There is no competent evidence at all that he did not perform well as Checker 1.

On the other hand, the respondent company's adamant refusal to allow complainant to perform his duties as Checker 1 amounts to a constructive form of dismissal because there is no convincing basis for the demotion and that complainant could not take the psychological shock and discomfort of performing the duties of an inferior position. [emphasis supplied]

x x x x

WHEREFORE, judgment is hereby rendered finding complainant to have been demoted from the position of Shop Steward to the position of Checker 1 without due process in 1994 and concomitantly, the respondent company is ordered to pay complainant P1,000.00 by way of indemnity. Judgment is likewise made finding complainant to have been constructively dismissed from employment in February, 1996 and therefore the respondent company is ordered to reinstate complainant with backwages.

SO ORDERED. [33]

Confusion followed the decision of Labor Arbiter Amansec when the petitioner filed a motion to be reinstated to the position of union Shop Steward. This was resolved by Labor Arbiter Ramon Valentin C. Reyes (Reyes) in the petitioner's favor; denying the motion to quash of the respondent and directing the Sheriff to proceed with the process of execution.[34] But the respondent filed a Petition for Prohibition, Issuance of a Temporary Restraining Order (TRO) and/or Writ of Permanent Injunction on March 20, 2000, claiming that the petitioner should merely be reinstated to his previous position of Checker I.[35]

Pending the resolution of the Petition for Prohibition, Labor Arbiter Reyes issued an Order, dated September 21, 2000, which denied the Motion to Quash the Writ of Execution filed by the respondent and ordered the assigned sheriff to proceed with the execution and further ordered the respondent to pay the petitioner backwages. A second Writ of Execution was issued on December 22, 2000 and a Notice of Public Auction Sale over the levied properties of the respondent company was issued. But the public auction did not take place due to a third party claim over the levied properties.

The respondent appealed the decision of Labor Arbiter Amansec to the NLRC arguing that the controversy between the petitioner and the other officers and members of the union is an intra-union dispute that must be resolved within the union itself. The respondent company argued that all it "has to do is to RESPECT the decision arrived at by the union - that is, to effect the recall of the complainant IN ACCORDANCE WITH THE CBA. Otherwise, respondent ATI runs the risk of being accused of violating the CBA x x x." [36]

On March 30, 2001 the Third Division of the NLRC issued a Resolution[37] which remanded the case to Labor Arbiter Amansec for clarification of his decision. The resolution of the NLRC noted the ambiguities of the decision of Labor Arbiter Amansec. While on the one hand, the body of the arbiter's decision mentioned that "the petitioner continued to work with the respondent company"[38] and thus, "the management's approval of his recall and termination as Shop Steward cannot be adjudged as one constitutive of constructive dismissal";[39] the dispositive part of the decision, on the other hand, rendered the judgment "finding complainant to have been constructively dismissed from employment in February, 1996"[40] and ordered the respondent company "to reinstate complainant with backwages." [41] The NLRC ordered that the case be "remanded to the sala of Labor

Arbiter Amansec for clarification of his decision,"[42] and issued a temporary restraining order on Labor Arbiter Reyes from further proceeding with the execution of the case.

Pending the respondent's appeal before the Court of Appeals, the petitioner then sought the execution of the reinstatement aspect of the decision of Labor Arbiter Amansec, praying to be reinstated to the position of union Shop Steward. He also filed a Motion for Issuance of a Break Open Order, which was granted on June 26, 2002 by Labor Arbiter Reyes. On the same day, the respondent filed an Appeal with a Prayer for Issuance of a Temporary Restraining Order and/or Writ of Permanent Injunction with the Third Division of the NLRC. The NLRC issued a Resolution[43] restraining Labor Arbiter Reyes, the Sheriff and the petitioner from further implementing the reinstatement aspect of the order.

Despite the NLRC order restraining the execution of the case, Labor Arbiter Reyes directed the garnishment of respondent's bank deposit in the amount of P874,756.92, and ordered the release of such amount to petitioner.[44]

On August 23, 2002, the respondent appealed Labor Arbiter Reyes' Order of garnishment and prayed for the issuance of a Temporary Restraining Order and/or a Writ of Preliminary Injunction. The Third Division of the NLRC issued the Temporary Restraining Order on October 23, 2002, and declared the Break Open Order as null and void.

The petitioner filed a Petition before the Court of Appeals, docketed as CA G.R. SP No. 77174, alleging that the NLRC erred in declaring the Break Open Order as null and void, and in restraining Labor Arbiter Reyes from implementing Labor Arbiter Amansec's Order for reinstatement.

While the respondent's appeal of the decision of Labor Arbiter Amansec was pending before the NLRC, the petitioner was retrenched by ATI from his position then as a Vessel Operation Checker. Consequently, the petitioner filed a separate case questioning the validity of his retrenchment. The case was terminated upon the execution of a Quit Claim and Release[45] on February 26, 2003, which was duly executed by the parties before the Second Division of the NLRC in NLRC CA No. 032809-02. The Quit Claim and Release provides, to wit:

COMES NOW, the undersigned complainant(s)/petitioner(s) in the above-entitled case(s) before this Office respectfully manifest:

That for and in consideration of the sum of P350,000.00 plus 5% attorney's fees or a total amount of P367,500.00 to me/us paid by ASIAN TERMINALS, INC. in settlement as of the above-entitled case receipt of which is hereby acknowledged to my/our complete and full satisfaction. I/we hereby release or discharge the said ASIAN TERMINAL[S], INC. and its officer(s) from any claims arising from the above entitled case. It is understood that the settlement of this case is without prejudice to the other labor cases filed by complainant (CA-12858-97, NLRC Third Division).[46]

On March 22, 2005, the Special Third Division of the NLRC issued a Decision[47] resolving the consolidated appeals of the respondent on the issues of whether Labor Arbiter Reyes had correctly computed the awards and, thereafter proceeded with the execution of the dispositive portion of Labor Arbiter Amansec's decision which is pending appeal in the NLRC. The Special Third Division of the NLRC ruled that there is no need to execute the reinstatement aspect of the decision of Labor Arbiter Amansec since it has been rendered moot and academic by the petitioner's re-employment as Checker I prior to the rendition of Labor Arbiter Amansec's decision up to the time of his admitted retrenchment on October 21, 2001.

Thus, the petitioner filed a Petition for Certiorari under Rule 65 of the Rules of Court before the Court of Appeals, docketed as CA G.R. SP No. 68283. The petitioner contends that the NLRC erred when it declared that he is not entitled to be reinstated to the position of Shop Steward, despite its order to remand the case for clarification of the arbiter's decision. The petitioner further asserts that the NLRC abused its discretion in issuing a Temporary

Restraining Order, enjoining Labor Arbiter Reyes from further proceeding with the execution of the reinstatement order.[48]

The Third Division of the Court of Appeals consolidated the two petitions, namely CA G.R. SP No. 68283 and CA G.R. SP No. 77174, and reversed the assailed Resolutions of the NLRC in a Decision,[49] promulgated on June 27, 2005. It ruled that the reinstatement aspect of the labor arbiter's decision is immediately executory and not even the filing of an appeal or the posting of a bond could forestall the same. However, the confusion remained as to which position the petitioner should be reinstated.

ATI filed a Motion for Reconsideration, praying that the petitions be dismissed for having been rendered moot and academic since the petitioner was already reinstated to the position of Checker I. The Court of Appeals issued an Amended Decision[50] on August 31, 2005, which vacated its earlier decision rendered on June 27, 2005, and ruled that the petitions at bar had been rendered moot and academic. It took note of the reinstatement of the petitioner to the position of Checker I and the March 22, 2005 Decision of the NLRC which dissolved all writs of execution and orders issued by the Labor Arbiter.[51]

The petitioner filed a Motion for Reconsideration before the former First Division of the Court of Appeals, praying that the amended decision, dated August 31, 2005 be vacated and set aside and the original decision dated June 27, 2005 be reinstated. The Court of Appeals reiterated that the factual findings of the NLRC with respect to the dismissal, reinstatement and retrenchment of the petitioner are predicated on substantial evidence and provide sufficient basis for considering the petitions moot and academic. Consequently, the Court of Appeals also held that the NLRC did not act with grave abuse of discretion in restraining the execution aspect of the Labor Arbiter's decision.[52]

Hence, this petition before us.

The petitioner argues that he is entitled to claim reinstatement as Shop Steward as well as the payment of his backwages pending the respondent's appeal. He further contends that the Court of Appeals erred in dismissing his consolidated petitions which prayed for the enforcement of his reinstatement as Shop Steward for being moot and academic.[53]

The respondent, on the other hand, maintains that both the NLRC and the Court of Appeals relied on substantial evidence in arriving at their decision that the consolidated petitions are already moot and academic in view of the previous reinstatement of the petitioner to Checker I and his retrenchment and separation from ATI since October 31, 2001.[54]

This case presents two issues: (1) whether the petitioner should be reinstated to the position of Shop Steward and (2) whether the case has been rendered moot and academic.

Before going into a discussion of these issues, we must clarify and provide a better understanding of the position of the union Shop Steward. The parties of this case, the NLRC and the Court of Appeals have assumed that the union Shop Steward is a company position, employed by respondent ATI. Thus, much of the discussion of the appellate court and the administrative agency has revolved around the supposed demotion of the petitioner from union Shop Steward to Checker I and whether there was cause for and due process in such demotion.

Union Shop Steward: A position within the union

The premise that the union Shop Steward is a position within the respondent company provides a faulty foundation to an already convoluted case. A cursory look at the responsibilities of a shop steward leads to the conclusion that it is a position within the union, and not within the company. A shop steward is appointed by the

union in a shop, department, or plant and serves as representative of the union, charged with negotiating and adjustment of grievances of employees with the supervisor of the employer.[55] He is the representative of the union members in a building or other workplace.[56] Black's Law Dictionary defines a shop steward as a union official elected to represent members in a plant or particular department. His duties include collection of dues, recruitment of new members and initial negotiations for the settlement of grievances.[57]

The position of the shop steward has been acknowledged to be a position within the union; and even in Section 2 of Rule XIX of the Implementing Rules of Book V of the Labor Code, as amended by DOLE Order 40-03,[58] the shop steward is understood to be a union officer who plays an important role in the grievance procedure. The shop steward is responsible for receiving complaints and grievances of the employees and for bringing these complaints to the immediate supervisor of the employee concerned. If the grievance is not settled through the efforts of the shop steward, it is referred to the grievance committee.

In the case of *Santa Rosa Coca-Cola Plant Employees Union v. Coca-Cola Bottlers Phils., Inc.*,[59] Section 501(a) [60] and (b)[61] and Section 3(q)[62] of the Landrum Griffin Act of 1959 were used as the bases to conclude that the Shop Steward is an officer of the union. These provisions confirm that the Shop Steward occupies a position of trust within the union. It may be an elective official within the union or key administrative personnel, and it is considered to be within the same class as union officers, agents and representatives. We have ruled in the case of *Santa Rosa Coca-Cola Plant Employees Union* that:

x x x, a shop steward is appointed by the Union in a shop, department, or plant serves as representative of the Union, charged with negotiating and adjustment of grievances of employees with the supervisor of the employer. He is the representative of the Union members in a building or other workplace. Black's Law Dictionary defines a shop steward as a union official who represents members in a particular department. His duties include the conduct of initial negotiations for settlement of grievances. He is to help other members when they have concerns with the employer or other work-related issues. He is the first person that workers turn to for assistance or information. If someone has a problem at work, the steward will help them sort it out or, if necessary, help them file a complaint. In the performance of his duties, he has to take cognizance of and resolve, in the first instance, the grievances of the members of the Union. He is empowered to decide for himself whether the grievance or complaint of a member of the petitioner Union is valid, and if valid, to resolve the same with the supervisor failing which, the matter would be elevated to the Grievance Committee.

It is quite clear that the jurisdiction of shop stewards and the supervisors includes the determination of the issues arising from the interpretation or even implementation of a provision of the CBA, or from any order or memorandum, circular or assignments issued by the appropriate authority in the establishment. In fine, they are part and parcel of the continuous process of grievance resolution designed to preserve and maintain peace among the employees and their employer. They occupy positions of trust and laden with awesome responsibilities.[63]

In the case at bar, the duties and responsibilities of the Shop Steward stated in the CBA between the union and the respondent company, as well as the manner of the appointment and designation of the Shop Steward show that the shop steward is a union position and not a position within the company.

Intra-union Dispute

Since the Shop Steward is a union position, the controversy surrounding his recall from his position as Shop Steward becomes a dispute within the union.

An "Internal Union Dispute" or intra-union conflict refers to a conflict within or inside a labor union. It includes all disputes or grievances arising from any violation of or disagreement over any provision of the constitution and by-laws of a union, including any violation of the rights and conditions of union membership provided for in the

Code.[64] Article 226 of the Labor Code of the Philippines[65] vests on the Bureau of Labor Relations and the Labor Relations Division jurisdiction to act on all inter-union or intra-union conflicts.

The records show that sometime after the appointment of the petitioner to union Shop Steward, the petitioner, along with other union members, had complaints with the manner in which the union leadership was handling the affairs of the union. At the same time, there were also complaints about the petitioner's habitual absenteeism and his inability to perform his duties as union Shop Steward. When a grievance committee was created to investigate these complaints, the petitioner refused to participate. This led to the recall of petitioner as the union Shop Steward.

The actions of the petitioner bolster the conclusion that his grievances were directed against the union and not the respondent company, making the dispute an intra-union dispute. The first Complaints filed by the petitioner were against the union and the Union President for illegal recall of his designation as Shop Steward. A Complaint was then filed before the DOLE Med-Arbiter praying for reinstatement to union Shop Steward and for the award of the salary differential while he was allegedly illegally demoted. But the money claims could not be brought before the union since the salaries of the petitioner were paid by the respondent company; thus, a Complaint for illegal demotion amounting to constructive dismissal was filed before the Labor Arbiter, against the union, union president and this time including respondent company and the president of the company.

Ruling of the Med-Arbiter Prevails: Invalid Recall

The Med-Arbiter, as affirmed by the Secretary of Labor, ruled that there was neither cause nor due process in the recall of the petitioner from the position of union Shop Steward. He found that the claim of loss of trust and confidence due to the petitioner's alleged absenteeism was not substantiated and that the recall was not approved by the Board of Directors of the union, as required by the APCWU Constitution and By-Laws.

The facts and findings of the Med-Arbiter and the Secretary of Labor are generally conclusive on appeal. This Court is not a trier of facts and it is not its function to examine and evaluate the probative value of all evidence presented to the concerned tribunal which formed the basis of its impugned decision, resolution or order. Following this, it is inappropriate to review the factual findings of the Med-Arbiter and the Secretary of Labor regarding the invalidity of the petitioner's recall due to a violation of the APCWU Constitution and By-Laws which requires that the recall must be approved by the union Board of Directors. They are binding on this Court as we are satisfied that they are supported by substantial evidence.

The Labor Arbiter's decision is
void for want of jurisdiction

The Labor Arbiter incorrectly assumed jurisdiction over the case due to his confused understanding of the relationship between and among the petitioner, respondent company and the union and his decision on the merits of the case is void for lack of jurisdiction. His disposition of the case, ordering the respondent to pay indemnity for failure to observe due process in the supposed demotion of the petitioner from union Shop Steward to Checker I, cannot be upheld.

The Labor Arbiter held that the respondent company should not have merely affirmed the recommendation of the union to recall the petitioner and return him to Checker I, his previous position. He reasons that the respondent should have conducted its own investigation before it supposedly demoted petitioner from union Shop Steward to Checker I. The requirements imposed on an employer for the valid demotion of an employee do not apply to the reversion of petitioner from union Shop Steward to Checker I because the decision to recall the petitioner from union Shop Steward to Checker I is for the union, not the respondent company, to make. The respondent cannot

and should not conduct its own investigation to determine whether the union had cause to recall the petitioner from union Shop Steward because the dispute is an intra-union dispute.

Petitioner cannot be reinstated to Shop Steward due to his valid retrenchment

Notwithstanding the determination of the Med-Arbiter, as affirmed by the Secretary of Labor, that the petitioner should be reinstated to the position of Shop Steward, which is binding on this Court, the petitioner could not be reinstated to the position of Shop Steward because his eventual separation from respondent ATI made reinstatement unfeasible. Employment with respondent ATI and membership in the union are required in order to occupy the position of Shop Steward. But the petitioner is neither a member of the union nor employed with respondent ATI. He was already retrenched from respondent ATI since October 21, 2001, and his retrenchment was finally settled through the execution of a Quit Claim and Release which was executed before the Second Division of the NLRC in NLRC CA No. 032809-02. The Quit Claim and Release provides that in consideration of the receipt of P367,500.00, the petitioner discharges respondent ATI and its officers from any claims arising from his retrenchment, without prejudice to the present labor case filed by the petitioner.

The present labor case proceeded despite the execution of the Quit Claim and Release. However, the resolution of this petition is inevitably affected by the retrenchment of the petitioner from respondent ATI. Because of the petitioner's retrenchment, which was finally settled through the Quit Claim and Release, any order for the reinstatement of the petitioner to the position of union Shop Steward can no longer be executed by the union since the petitioner had been retrenched by the company. The petitioner cannot also be reinstated to the position of Checker I, since he was already retrenched by the respondent from such position and he released the company from any and all claims with respect to his retrenchment.

It may seem that the outcome of this case provides no relief for the petitioner despite his invalid removal from the position of union Shop Steward, but the reinstatement of the petitioner could not be forced into the present circumstances because the petitioner is no longer employed by the respondent company. It is a fact that we cannot avoid and must consider in resolving this case. He was already compensated for his retrenchment from ATI, and he released respondent ATI from any and all claims or liability with respect to his separation from employment due to retrenchment. To order the respondent company to reinstate the petitioner to his employment in ATI would render the Quit Claim and Release nugatory.

The events which have taken place during the pendency of the case have rendered the present petition moot and academic. So also in the case of *Honesto B. Villarosa v. Hon. Cresenciano B. Trajano*[66] it was held that the case to determine who won in an election of union officers was rendered moot and academic by the expiration of the term of the private respondents by operation of law. Citing the case of *Manalad v. Trajano*,[67] this Court ruled that:

x x x x It is pointless and unrealistic to insist on annulling an election of officers whose terms had already expired. We would have thereby a judgment on a matter which cannot have any practical legal effect upon a controversy, even if existing, and which, in the nature of things, cannot be enforced. We must consequently abide by our consistent ruling that where certain events or circumstances have taken place during the pendency of the case which would render the case moot and academic, the petition should be dismissed.[68]

So also in the case at bar, a judgment of reinstatement of the petitioner to the position of union Shop Steward would have no practical legal effect since it cannot be enforced. Based on the requirements imposed by law and the APCWU-ATI CBA, and in the nature of things, the subsequent separation of the petitioner from employment with respondent ATI has made his reinstatement to union Shop Steward incapable of being enforced.

IN VIEW WHEREOF, the petition is DISMISSED for being MOOT and ACADEMIC. No costs.

SO ORDERED.

Carpio, Corona, Leonardo-De Castro, and Bersamin, JJ., concur.

[1] Rollo, pp. 211-215.

[2] Id. at pp. 217-221.

[3] Id. at pp. 307-318.

[4] Original Records, vol. 1, p. 36.

[5] Id. at p. 37.

[6] Rollo, p. 222.

[7] Original Records, vol. 2, p. 284.

[8] Id.

[9] Rollo, p. 309.

[10] Original Records, vol. 1, p. 85.

[11] Id.

[12] Id. at p. 309.

[13] Id. at pp. 222-223.

[14] Id.

[15] Rollo, pp. 61-64.

[16] Original Records, vol. 2, p. 144.

[17] Rollo, pp. 62-64.

[18] Original Records, vol. 2, p. 145.

[19] Original Records, vol. 1, pp. 413-420.

[20] Id. at p. 417.

[21] Id.

[22] Id. at p. 38.

[23] Rollo, p. 17.

[24] Original Records, vol. 1, pp. 419-420.

[25] Original Records, vol. 2, p. 7.

[26] Rollo, p. 309.

[27] Original Records, vol. 2, pp. 27-28.

[28] Id.

[29] Id. at p. 243-251.

[30] Id. at p. 249.

[31] Original Records, Vol. 1, pp. 34-44; rollo, pp. 68-78.

[32] In the case of Wenphil Corporation v. National Labor Relations Commission, G.R. No. 80587, February 8, 1989, 170 SCRA 69, the Court ruled that when there is a valid reason to dismiss an employee, but the employer did not follow the proper procedure for the dismissal, the dismissed employee will not be reinstated but the employer will be required to pay an indemnity. The measure of this award depends on the facts of each case and the gravity of the omission committed by the employer. The pertinent portion of the case provides, viz.:

x x x The dismissal of an employee must be for just or authorized cause and after due process. Petitioner committed an infraction of the second requirement. Thus, it must be imposed a sanction for its failure to give a formal notice and conduct an investigation as required by law before dismissing petitioner from employment. Considering the circumstances of this case petitioner must indemnify the private respondent the amount of P1,000.00. The measure of this award depends on the facts of each case and the gravity of the omission committed by the employer. [G.R. No. 80587, February 8, 1989, 170 SCRA 69, 76]

[33] Original Records, vol. 1, pp. 40-43; rollo, pp. 74-77.

[34] Original Records, Vol. 3, pp. 168-173.

[35] Id. at p. 70.

[36] Original Records, vol. 1, p. 89.

[37] Rollo, pp. 94-109.

[38] Id. at p. 105.

[39] Id.

[40] Id. at p. 107.

[41] Id.

[42] Id. at p. 108.

[43] Id. at pp. 115-129.

[44] Id. at p. 162.

[45] Id. at p. 342.

[46] Id.

[47] Id. at pp. 159-175.

[48] Id. at p. 311.

[49] Id. at pp. 307-318.

[50] Id. at pp. 211-215.

[51] Id. at p. 214.

[52] Id. at p. 219.

[53] Id. at p. 443.

[54] Id. at p. 425.

[55] Webster's Third New International Dictionary, cited in *Santa Rosa Coca-Cola Plant Employees Union v. Coca-Cola Bottlers Phils., Inc.*, G.R. Nos. 164302-03, January 24, 2007, 512 SCRA 437.

[56] *Santa Rosa Coca-Cola Plant Employees Union v. Coca-Cola Bottlers Phils., Inc.*, G.R. Nos. 164302-03, January 24, 2007, 512 SCRA 437.

[57] 6th Edition, 1990.

[58] SECTION 2. Procedure in Handling Grievances. — In the absence of a specific provision in the collective bargaining agreement or existing company practice prescribing for the procedures in handling grievance, the following shall apply:

(a) An employee shall present this grievance or complaint orally or in writing to the shop steward. Upon receipt thereof, the shop steward shall verify the facts and determine whether or not the grievance is valid.

(b) If the grievance is valid, the shop steward shall immediately bring the complaint to the employee's immediate supervisor. The shop steward, the employee and his immediate supervisor shall exert efforts to settle the grievance at their level.

(c) If no settlement is reached, the grievance shall be referred to the grievance committee which shall have ten (10) days to decide the case.

Where the issue involves or arises from the interpretation or implementation of a provision in the collective bargaining agreement, or from any order, memorandum, circular or assignment issued by the appropriate authority in the establishment, and such issue cannot be resolved at the level of the shop steward or the supervisor, the same may be referred immediately to the grievance committee.

[59] G.R. Nos. 164302-03, January 24, 2007, 512 SCRA 437.

[60] Sec. 501 (a) The officers, agents, shop stewards, and other representatives of a labor organization occupy positions of trust in relation to such organization and its members as a group. It is, therefore, the duty of each such person, taking into account the special problems and functions of a labor organization, to hold its money and property solely for the benefit of the organization and its members and to manage, invest, and expend the same in accordance with its constitution and bylaws and any resolutions of the governing bodies adopted thereunder, to refrain from dealing with such organization as an adverse party in any matter connected with his duties and from holding or acquiring any pecuniary or personal interest which conflicts with the interest of such organization, and to account to the organization for any profit received by him in whatever capacity in connection with transactions conducted by him or under his direction on behalf of the organization. A general exculpatory resolution of a governing body purporting to relieve any such person of liability for breach of the duties declared by this section shall be void as against public policy.

[61] Sec. 501 (b) When any officer, agent, shop steward, or representative of any labor organization is alleged to have violated the duties declared in subsection (a) of this section and the labor organization or its governing board or officers refuse or fail to sue or recover damages or secure an accounting or other appropriate relief within a reasonable time after being requested to do so by any member of the labor organization, such member may sue such officer, agent, shop steward, or representative in any district court of the United States or in any State court of competent jurisdiction to recover damages or secure an accounting or other appropriate relief for the benefit of the labor organization.

[62] Sec. 3 (q) "Officer, agent, shop steward, or other representative", when used with respect to a labor organization, includes elected officials and key administrative personnel, whether elected or appointed (such as business agents, heads of departments or major units, and organizers who exercise substantial independent authority), but does not include salaried non-supervisory professional staff, stenographic, and service personnel.

[63] G.R. Nos. 164302-03, January 24, 2007, 512 SCRA 437, 465-466.

[64] Book V, Rule I, Section 1(a), Omnibus Rules Implementing the Labor Code.

[65] ARTICLE 226. Bureau of Labor Relations — The Bureau of Labor Relations and the Labor Relations Division in the regional offices of the Department of Labor shall have original and exclusive authority to act, at their own initiative or upon request of either or both parties, on all inter-union and intra-union conflicts, and all disputes, grievances or problems arising from or affecting labor-management relations in all work places whether agricultural or non-agricultural, except those arising from the implementation or interpretation of collective bargaining agreements which shall be subject of grievance procedure and/or voluntary arbitration.

[66] G.R. No. 73679, July 23, 1992, 211 SCRA 685.

[67] G.R. Nos. 72772-73, June 28, 1989, 174 SCRA 328.

[68] *Honesto B. Villarosa v. Hon. Cresenciano B. Trajano*, G.R. No. 73679, July 23, 1992, 211 SCRA 685, 691.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.