

UBALDO BARON, TEOFILO CANO, LORENZO DE LA CRUZ, MANUEL GUTIERREZ, JULIO PEREZ, ET AL., PETITIONERS VS. COURT OF INDUSTRIAL RELATIONS, CHENG BAN YEK & COMPANY, INC. OPERATOR AND ...

G.R. No. 17717. July 31, 1963

Ponente: BARRERA, J.

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BARRERA, J.:

This is a petition for review of the amended decision of the Court of Industrial Relations denying petitioners' claim for reinstatement and for an increase in their wages.

The petitioners, eight in number, had been employees of respondent corporation Cheng Ban Yek & Co., Inc. operator of International Oil Factory (hereinafter referred to as the Company) for a number of years even before case No. 252-V, entitled "National Labor Union vs. International Oil Factory" was filed with the Court of Industrial Relations. Although the complaint in that case is not before us, it can be gathered from the records of the present case that the employees affiliated with the National Labor Union had presented several demands from the Company, among them the increase of their wages and right to vacation leave. Before a decision could be rendered therein, the employees-members of another union, the International Oil Factory Workers Union (FFW), (hereinafter called the respondent Union), were allowed some of the concessions being asked in case 252-V without extending the same privileges to employees not affiliated with said respondent Union. Among these concessions was the increase of P.50 granted effective January 4, 1949.

On May 11, 1951, the Court of Industrial Relations rendered a partial decision in that case ordering that such an increase be extended to all the employees of the respondent Company in order to avoid discrimination. The Court further decreed that thereafter:

- "1. El salario minimo diario sera P5.50 para los obreros y P4.00 para las mijeres; y
2. Todos los que ahora ganan jornales diarios de P5.00 a P7.00 recibiran un aumento de 10%".

Pursuant to this partial decision, petitioners were granted the P.50 increase effective January 4, 1949 as follows:

Ubaldo Baron

from P5.00 to P5.50

Manuel Gutierrez

from P5.00 to P5.50

Santiago Gaudinez

from P5.00 to P5.50

Primo Zamora
from P6.00 to P6.50
Teofilo Cano
from P4.00 to P4.50
Lorenzo de la Cruz
from P4.00 to P4.50
Julio Perez
from P4.00 to P4.50
Sofronio Lomibao
from P4.00 to P4.50

However, when applying the second award that "Todos los que ahora ganan jornales diarios de P5.00 a P7.00 recibirán un aumento de 10%", the Company computed the increase on the basis of the old salaries of the first four petitioners, Baron, Gutierrez, Gaudinez and Zamora, excluding the increase of P.50, thus:

Baron
10% of P5.00 - P.50 plus P5.00 = P5.50
Gutierrez
10% of P5.00 - P.50 plus P5.00 = P5.50
Gaudinez
10% of P5.00 - P.50 plus P5.00 = P5.50
Zamora
10% of P6.00 - P.60 plus P6.00 = P6.60

Claiming that this computation in effect discontinued the general increase of P.50 ordered by the court beginning January 4, 1949, because they were given only the 10% increase on their old salaries starting on May 11, 1951, these four petitioners insisted in their demands made in Case No. 252-V.

Pending the resolution of this incident, and claiming that the officers of the respondent Union had been securing signatures on prepared documents the contents of which were misrepresented to them, and by virtue of which documents the officers, on April 6, 1957, entered into an agreement with the Company wherein the awards contained in the partial decision of May 11, 1951 referred to above, had been waived, three of the petitioners, (Zamora, Gaudinez and Lomibao), filed with the court, in Case 252-V, a petition, docketed as Case 252-V(8), wherein they complained against the illegal practice of their officers, asking that they be relieved from the effects of such documents signed by them and announcing their resignation from the respondent Union.

On September 30, 1957, the five other petitioners, Ubaldo Baron, Lorenzo de la Cruz, Teofilo Cano, Manuel Gutierrez, and Julio Perez, filed separate manifestations in case No. 252-V, informing the court that it was only then that they learned of the alleged collective bargaining agreement between the respondent Union and respondent Company; that the terms thereof were not agreed upon by the Union members; and that their signature to certain documents were obtained by the Union officials, specifically its president, through threat or

misrepresentation. They prayed for the suspension of the enforcement of said agreement as to them or at least their exclusion therefrom. These complaints were docketed as case 252-V (11).

Thereafter, or on October 1, 1957, herein petitioners De la Cruz, Baron, Cano, Gutierrez and Perez were required by the president of respondent Union to explain in 48 hours the reason for the filing of their said petitions and likewise to appear in a hearing at the Union headquarters set for October 4, 1957. Allegedly due to petitioners failure to comply with such directives, the board of directors of the respondent Union unanimously resolved to expel them from the Union and asked for their dismissal from employment pursuant to the collective bargaining agreement of April 6, 1957. Then, the respondent Union refused to accept petitioners' monthly Union dues. The respondent Company, on the other hand, and upon demand of the Union, served petitioners with separation notices and actually dismissed Lorenzo de la Cruz on November 22, 1957, petitioners Ubaldo Baron, Teofilo Cano, and Julio Perez on November 25, 1957; and petitioner Manuel Gutierrez 30 days from receipt of said notice.

In view of these facts and at the instance of petitioners Baron, Cano, de la Cruz, Perez and Gutierrez, the Prosecutors of the Court of Industrial Relations instituted unfair labor practice case (Case No. -498—ULP) against the respondent Union, for its refusal to accept their Union dues and the respondent Company for dismissing them from their work.

In its answer to the complaint in the unfair labor case, respondent Company claimed that petitioners' dismissal was in compliance with the collective bargaining agreement entered into between the company and the respondent Union. For its part, the Union contended that the fact that they were no longer union members, they having been expelled therefrom for justifiable cause, and its recommendation for their dismissal from the employ of the Company was in consonance with the collective bargaining agreement.

After due hearing of the three cases [Nos. 1498-ULP, 252-V(8) and 252—V(11)] in a joint trial, the Court of Industrial Relations, on June 30, 1960, rendered a decision making a finding that the expulsion of 4 petitioners De la Cruz, Baron, Cano, Perez and Gutierrez from the Union was effected without due process as the petitioners were not duly notified, and was illegal, in that under the constitution and by-laws of said union, the Board of Directors has no authority to dismiss or expel members therefrom. Consequently, the respondent union was ordered to admit petitioners again to membership, and the respondent Company to reinstate them to their former positions without back wages. With respect to their claim for salary increases under the terms of the award of May 11, 1951, it was held that the same had been complied with, inasmuch as the minimum wages fixed therein had been observed by the Company. The matter of vacation leave also granted in said decision of May 11, 1951 and being claimed by petitioners in Cases 252-V(8) and 252-V(11) was made subject to further consideration in the main case (Case No. 252-V). This decision, however, was modified by resolution of the court en banc, of October 25, 1960, by recommending the petitioners herein to be given a mere priority right to reemployment, should vacancies or new employment opportunities occur, instead of being reinstated without wages as originally decreed. From these decision and resolution, petitioners came to this Court by way of the instant petition for review.

As stated heretofore, petitioners Baron, Gutierrez, Gaudinez and Zamora claim that their salaries of P5.50, P5.50 P5.50 and P6.60 being paid them since May 11, 1951 are not in accordance with the award made in the partial decision of that date because the 10% increase was computed on their old salaries without regard to the P. 50 in crease decreed effective January 4, 1949. This contention is correct as it is to be noted that the partial decision of May 11, 1951 contains two awards: (1) the P.50 general increase effective January 4, 1949 which raised the salaries of the four petitioners to P5.50 for Baron, Gutierrez and Gaudinez, and P6.50 for Zamora. In other words, pursuant to the partial decision, their salaries on May 11, 1951 should have been P5.50 and P6.50. But in addition

to this general increase, there was also the 10% increase of those receiving between P5.50 and P7.00 as of May 11. Consequently, these petitioners were entitled to 10% of P5.50 or P.55 or a total of P6.05 for Baron, Gutierrez and Gaudinez, and 10% of P6.50 or P.65 or a total of P7.15 for Zamora. It should be recalled that the P.50 increase was extended to these petitioners effective January 4, 1949 in order to correct a previous discrimination. To follow the Company's computation of the 10% on the basis of their old discriminated salaries would in effect revive the discrimination sought to be avoided as it results in the discontinuance of the P.50 increase, petitioners getting only the 10% increase over their old salaries of P5.50 and P6.00. We find therefore that petitioners Baron, Gutierrez and Gaudinez are each entitled to P6.05 wage, and Zamora; to P7.15 wage beginning May 11, 1951.

With respect to the contention of petitioners Primo Zamora, Sofronio Lomibao and Santiago Gaudinez that they should not be bound by the terms of the collective bargaining agreement in view of their petitions for exclusion [Case 252-V(8)], we note that no finding is made by the lower court. This matter should further be determined in the same manner that the claim for vacation leave was made subject to further consideration in the main case No. 252-V. So also the suspension of the effect of the bargaining agreement of April 6, 1957, requested in Case No. 252-V (11).

The ruling of the lower court granting to petitioners De la Cruz, Baron, Cano, Perez, and Gutierrez only a mere priority right to reinstatement, instead of right to re-instatement without backpay, is, under the circumstances, correct. Taking into account the fact that the Company was found to have acted in good faith in dismissing said petitioners upon petition of the respondent Union pursuant to the collective bargaining agreement, and that permanent replacements to their former positions have already been made, which finding we are not here authorized to review, there is no reason for us to disturb the judgment of the lower court on this point.

Wherefore, modified as hereinabove indicated, the decision and resolution sought to be reviewed are hereby affirmed, without costs. So ordered.

Bengzon, C. J., Padilla, Bautista Angela, Concepcion, Reyes, J. B. L., Paredes, Dizon, Regala, and Makalintal, JJ., concur.

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