

PHILIPPINE SUGAR INSTITUTE, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS AND INSUREFCO & PAPER PULP PROJECT WORKERS’ UNION, RESPONDENTS.

G.R. No. 18930, February 28, 1967

Ponente: CASTRO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-18930/>

CASTRO, J.:

Petition for certiorari by the Philippine Sugar In-stitute (PHILSUGIN) against the Court of Industrial Rela-tions (CIR) and the Insular Refining Co. & Paper Pulp Pro-ject Workers' Union (Union), to set aside the order of the CIR of July 31, 1961, and its resolution en banc of Septem-ber 7, 1961, issued in CIR case 283-V (8).

On June 11, 1949 the respondent Union and the Insular Refining Corporation (INSUREFCO), predecessor of the PHIL-SUGIN,[1] entered into a partial agreement, whereby the lat-ter granted to its workers who are members of the Union 15 days vacation leave and 15 days sick leave with pay for every year of service, proportionate to the length of serv-ice rendered; 25% additional compensation for evertime work and work performed on Sundays and legal holidays, this to apply also to monthly-salaried employees; and 25% addition-al compensation for work from 6:00 p.m. to 12:00 midnight, and 50% additional compensation for work from 12:00 midnight to 6:00 a.m., to all workers, including monthly-sala-ried employees. This partial agreement was approved by the CIR in its order of June 20, 1949.

But because the aforesaid agreement was not made ap-licable to the 26 members of the police force of the PHIL-SUGIN, who are also members of the Union, the latter on May 21, 1951 filed a petition with the CIR (Case 283-V) for ex-tra compensation. While this petition was pending resolu-tion, 17 of the 26 members accepted an offer of the PHILSU-GIN granting them 25% and 50% additional compensation for work performed from 6:00 p.m. to 12:00 midnight and from 12:00 midnight to 6:00 a.m., respectively, and 25% addition-al compensation for work performed on Sundays and legal ho-lidays, effective February 1, 1951. This agreement was ap-proved by the CIR on December 11, 1951.

Sabas Camacho, Leopoldo Lanuza, Marcos Rarang, Alfredo Abaño, Martiniano Abuton and Margarito Villamor refused to be bound by the last agreement, and accordingly pressed their petition for extra compensation. The PHILSUGIN filed its answer on October 2 1953, alleging that the partial agreement of June 11, 1949 is not applicable to the members of its police force, and that these policemen were already enjoying free uniforms consisting of khaki clothing equiva-lent to 2 suits for every 6 months, one pair of shoes for every 6 months, one regulation helmet for every 6 months, aside from 10% additional compensation for members perform-ing work from 3:00 p.m. to 7:00 a.m. and two extra days leave of absence per month (non-cumulative), in addition to the regular sick and vacation leaves prescribed by the Civil Service Law.

On August 2, 1954, the CIR rendered judgment as follows:

"WHEREFORE, the respondent Insular Sugar Re-fining Corporation is hereby ordered to pay:

"Policemen Sabas Camacho, Leopoldo Lanuza, Alfredo Abaña, Martiniano C. Abuton, Marcos Rarang and Margarito Villamor (a) 25% additional compensation for night work from 6:00 p.m. to 12:00 p.m. and 50% from 12:00 p.m. to 6:00 a.m.; and (b) 25% additional compensation for work performed on Sundays and legal holidays, all of which additional compensation to begin from March 22, 1949 up to the time they are in the service of the company, together with all the privileges and facilities hitherto enjoyed by them at the time the partial award of June 20, 1951[2] was made effective."

Prior to the rendition of this judgment, however, or on the previous March 31, 1954, the said six policemen, together with other personnel of the petitioner, were laid off, after being paid one-month separation pay, their regular salaries to the last day of their service (March 31, 1954), and all their accumulated leave pay.

On October 11, 1954 the INSUREFCO resumed operations. These policemen were refused reinstatement, and so four of them, namely, Marcos Rarang, Alfredo Abaña, Martiniano C. Abuton and Margarito Villamor,[3] filed with the CIR a petition for reinstatement and for contempt, dated November 8, 1954 (Case 283-V (6)), [4] claiming that the abolition of their positions constitutes contempt of court as well as obstructs the execution of the judgment of August 2, 1954; that their lay-off was only a temporary measure adopted by the company during the time that it was idle; and that although it had already resumed operations and taken back all of the employees who were working on June 14, 1952, the four of them were nevertheless not readmitted. They therefore prayed for reinstatement, with back wages from October 11, 1954 until the date of their reinstatement. In answer, the company maintained that the lay-off was in pursuance of a directive of the Office of Economic Coordination ordering a retrenchment of personnel; that it was under no legal obligation to reinstate the policemen in question, especially in view of the losses incurred by the company; and that it did not commit any act of contempt of court in laying off the policemen and in refusing to re-instate them.

The CIR, declaring that the four policemen were the "victims of discrimination", rendered judgment on December 9, 1957 as follows:

"WHEREFORE, the Court hereby orders the respondent and/or the Philippine Sugar Institute, the respondent's substitute, to reinstate Policemen Marcos Rarang, Alfredo Abaña, Martiniano C. Abuton and Margarito Villamor to their previous positions in the police force, with back wages from October 11, 1954, until actually reinstated, without loss of seniority and other privileges they have hitherto enjoyed as of March 31, 1954."

This judgment was affirmed by this Court in *Philippine Sugar Institute vs. CIR, et al.*, G.R. No. L-13475, September 29, 1960; a motion for reconsideration thereof filed by the PHILSUGIN was denied in a resolution dated October 25, 1960. The four policemen were consequently reinstated on November 29, 1960 and paid their back wages.

The above antecedents constitute the background of the case at bar (CIR case 283-V, [8]).

On December 19, 1960 the respondent Union filed with the CIR a "Petition for execution of judgment re privileges, facilities" (CIR Case 283-V [8]), against the PHILSUGIN, alleging, among other things, that inasmuch as the four policemen were paid their back wages from October 11, 1954 to November 7, 1960 and therefore were technically in the service of the company during the said period, they are likewise entitled to the privileges and facilities they have hitherto enjoyed, pursuant to the judgments of August 2, 1954 and December 9, 1957, and as part of the said judgments; that likewise, now they are back in the service of the company, they should currently enjoy the said privileges and facilities; that the company has not yet executed the judgment of December 9, 1957 with reference to the enjoyment of said privileges, ordained in the judgment of August 2, 1954; that since their reinstatement, they have not been given their two extra days leave for every month of service, although they have been working with the company for more than a month. They therefore prayed that

the company be ordered to grant them the privileges and facilities mentioned in the judgment of August 2, 1954, or their money value corresponding to the period from October 11, 1954 to November 7, 1960, and to grant them two extra days leave for every month of service from November 7, 1960 onward, or the equivalent money value; they further prayed that the examination division of the CIR be ordered to compute the money value of the said privileges and facilities for the purpose of execution or compliance with the judgments of August 2, 1954 and December 9, 1957.

On December 29, 1960 the company moved to dismiss the petition on the ground of its failure to state a valid cause of action; the respondent Union filed its opposition.

On July 31, 1961 the CIR issued an order, the dispositive portion of which reads as follows:

"WHEREFORE, the Insular Sugar Refinery and/or Philippine Sugar Institute, or their successors-in-interests, are hereby ordered (a) to grant to policemen Marcos Rarang, Alfredo Abañ, Martiniano C. Abuton and Margarito Villamor the following privileges and facilities:

"One (1) pair of shoes every 6 months, or two

pairs a year P13.50 each ----- P27.00

"Two (2) khaki suitings every 6 months of

11 yards, or 4 suitings a year or 22

yards P1.50 a yard ----- 33.00

"One (1) helmet every 6 months, or 2 hel?

rets a year, with poncho ----- 10.00

"Two (2) days off for every month of serv?

ice at P5.55 a day, for 1 year ----- 135.00

or the money value thereof for the period from October 11, 1954 to November 7, 1960; (b) to continue granting them the two (2) days every month with pay from November 7, 1960; and (c) to re-stitute to and/or credit in favor of each of the said four policemen the vacation and sick leave privileges with pay, aggregating 180 days or six months, which they failed to enjoy during the period they were illegally laid off from October 11, 1954 to November 7, 1960 and to continue granting the said privileges thereafter."

The respondent Union thereafter filed a petition, praying that the company be ordered to deposit with the respondent CIR, the sum of P9,000 in satisfaction of the above judgment. The company filed its opposition thereto.

On September 7, 1961 the respondent court, in a resolution en banc, denied the company's motion for reconsideration of August 8, 1961.

Against this last order and the order of July 31, 1961, the petitioner has come to this Court through the present re-course.

The petitioner's first contention has to do with procedure. It is argued that the respondent court erred in arbitrarily disregarding section 14 of the Rules of Court of Industrial Relations, and section 3 of Rule 16 of the Revised Rules of Court, quoted hereunder:

"14. After the petition or motion is filed, the Clerk of Court shall set it for hearing at 9:00 A.M. on the available date immediately following the third day after the filing thereof, and where an earlier setting is

necessary due to the urgency of the case, the same may be made upon previous knowledge of the judge trying the case." (Rules of Court of Industrial Relations.)

"SEC. 3. Hearing and order. - After hearing the court may deny or grant the motion or allow amend-ment of pleading, or may defer the hearing and de-termination of the motion until the trial if the ground alleged therein does not appear to be indu-bitable." (Rule 16, New Rules of Court.)

The petitioner claims that the respondent Union flagrantly violated the provisions of section 14 of the Rules of Court of Industrial Relations, *supra*, by filing its opposition to the motion to dismiss only on February 6, 1961, or almost two months after receipt of the motion to dismiss, when an answer or opposition should have been filed within three days after such receipt.

This argument is without merit. The said section 14 does not prescribe a period of time within which an adverse party should file its opposition to a motion to dismiss, which means that such opposition may be filed within a rea-sonable time from receipt of the motion.

And under section 20 of the Rules of Court of Indus-trial Relations, the CIR "shall act according to justice and equity and the substantial merits of the case, with-out regard to technicalities or legal forms and shall not be bound by any technical rules of legal evidence but may inform its mind in such manner as it may determine just and equitable." In the case at bar, it is undoubted that the opposition to the motion to dismiss has aided the res-pondent court in arriving at a conclusion on the merits of the motion to dismiss.

It is further argued by the petitioner that section 14 was disregarded by the respondent court when its clerk of court failed to set the motion to dismiss for hearing "on the available date immediately following the third day after the filing thereof." This argument becomes relevant to the question of whether a hearing on the motion was necessary, and to the further contention of the petitioner that the respondent court committed grave abuse of discretion by ar-bitrarily disregarding section 3, Rule 16, New Rules of Court, *supra*, when it issued the order of July 31, 1961 without first resolving the aforesaid motion to dismiss.

Under Section 3, Rule 16, new Rules of Court (section 3, Rule 8 of the old Rules of Court), two courses of action are open to a court when a motion to dismiss is filed, name-ly, (a) after hearing to "deny or grant the motion or allow amendment of pleading"; (b) to "defer the hearing and deter-mination of the motion until the trial if the ground alleged therein does not appear to be indubitable." [5]

Was a hearing on the motion to dismiss the petition for execution of the judgments of August 2, 1954 and of December 9, 1957 necessary? The answer is in the negative.

The motion to dismiss is based on the ground that the petition fails to state a valid cause of action. In the de-termination of the sufficiency and validity of a cause of ac-tion, our uniform ruling has been and is that one need not go beyond and outside of the petition for data or facts (*Convets, Inc. vs. Nat'l. Development Co.*, G.R. No. L-10323, Feb. 28, 1958, cit-ing *World Wide Insurance & Surety Co., Inc. vs. Manuel, et al.*, 51 O.G. 6241). Consequently, the hearing which section 3, Rule 16, *supra*, contemplates was unnecessary in this case.

"Petitioner's view that when a motion to dis-miss a complaint or a petition is filed, only the facts alleged in the complaint or petition may be taken into account is not entirely correct. To the contrary, the rule is that at said hearing said motion may be proved or disproved in accord-ance with the rules of evidence, and it has been held that, for that purpose, the parties should be allowed to present evidence, except when the motion is based on the failure of the complaint or of the petition to state a cause of action (*Asejo vs. Leonoso*, 44 O.G. No. 10, 3832 [83 Phil. 943, 945])." (*Saguinsin vs. Lindayag, et al.*, G.R. No. L-17759, Dec. 17, 1962; see also *Cañete vs. Madrigal & Co., et al.*, G.R. No. L-17836, Aug. 30, 1962.) (Emphasis ours)

That the petition for execution of the judgments of the CIR states a "valid cause of action", is indubitable. It reproduces the judgments of August 2, 1954 and December 9, 1957 sought to be executed; it quotes verbatim the dis-positive portions of the said judgments. That the CIR has not yet executed portions of the said judgments, is alleged; the prayer is that the petitioner be ordered to grant to the policemen in question "the privileges and facilities" included in the said judgments.

Upon the foregoing premises, the order of July 31, 1961 of the respondent court cannot be construed except as a de-nial of the motion to dismiss.

We now approach the main issue. The petitioner contends that the respondent court erred in awarding to the four policemen all the "facilities and privileges" enumerated in the order of July 31, 1961. More specifically the petitioner argues that since these policemen were not in actual service from October 11, 1954 to November 7, 1960, they were therefore not entitled to any facilities or privileges corresponding to that period. As to the shoes, khaki suitings, helmets and ponchos, the petitioner argues that these items are given to the policemen for their official use during their official tour of duty and while rendering actual police work in the premises of the company; that these items were not intended for private use or purposes; and that therefore the four policemen in question, not having been on actual duty during the said period, were not entitled to these items nor to their money value.

The respondent union, upon the other hand, maintains that the "privileges and facilities" form part of the specific awards granted to them by the CIR judgment of August 2, 1954; that the policemen were reinstated in their previous positions and, although they did not render actual service, were paid their back wages from October 11, 1954 to November 7, 1960, so that they must be deemed to have been technically in the service; that they are therefore entitled to receive the "privileges and facilities" in question; that their reinstatement with back salaries entitles them to the enjoyment of these privileges and facilities also as a measure of indemnity for the losses and damages they suffered by reason of their being laid off and as a penalty on the company for the discriminatory acts committed by it against them.

Well-settled is the rule that the portion of a decision that becomes the subject of execution is that ordained or decreed in the dispositive part thereof (Neri Edwards, et al. vs. Arce, et al., 52 O.G. 2537; Gov't. of the Phil. vs. Jose Ramon y Vasquez, et al., 73 Phil. 669; Contreras, et al. vs. Felix, et al., 78 Phil. 570; Jabon, et al. vs. Alo, et al., 91 Phil. 750; Robles et al. vs. Timario, et al., G.R. No. L-13911, April 28, 1960; Segarra vs. Maranilla, G.R. No. L-14428, July 26, 1960).

In the case at bar, it is unquestioned that the petition of December 19, 1960 is one for execution of the judgments of August 2, 1954 and December 9, 1957. The judgment of August 2, 1954 awarded to the policemen, among other things, all the privileges and facilities enjoyed by them at the time the partial award of June 20, 1949 was made. The judgment of December 9, 1957, upon the other hand, awarded to them, among other things, privileges hitherto enjoyed by them as of March 31, 1954. The term "facilities", which was deleted from the latter judgment, obviously has reference to the items consisting of khaki suitings, shoes, helmets and ponchos. And the deletion by the CIR of the said "facilities" in its judgment of December 9, 1957, was not without reason. The aforementioned items were given free to the police force of the petitioner for the policemen to use officially and only during their official tour of duty and while rendering police work within the premises of the company. These items were not intended to be used outside of the territorial bounds of the company's grounds, nor for private or personal purposes. Not being in the actual performance of police work during the period from October 11, 1954 to November 7, 1960, the four policemen were not entitled to the said "facilities", even if they were "technical-ly" in the service of the petitioner.

We, therefore, hold that the respondent court was not justified in including the aforementioned "facilities" in its order of July 31, 1961.

Respecting the "other privileges they have hitherto enjoyed as of March 31 1954", the petitioner, relying upon *Sun Ripe Coconut Products, Inc. vs. National Labor Union*, 97 Phil. 691, 696, and *Taguilig, et al. vs. Theo H. Davis & Co., Far East Ltd.*, G.R. No. L-9144, May 30, 1959, argues that these grants are likewise unjustified, because the prime and sole purpose of vacation and sick leaves is to afford employees much needed rest to recoup lost energies, in order that they can efficiently and satisfactorily perform their assigned tasks with renewed vitality; that the said leaves are given to employees in actual service not merely to give them additional salary and bounty; and that each of these privileges must be demanded at the opportune time and if the claimant "allows the years to go by in silence, he waives it." The petitioner further argues that since the policemen in question have already been paid their back salaries from October 11, 1954 to November 7, 1960, inclusive, the further grant to them of vacation and sick leaves and other privileges for that period, is without legal basis.

These self-same arguments have been previously advanced by the same petitioner before the respondent court, and rejected. And upon review in G.R. No. L-13475, *supra*, this Court approvingly quoted the declarations of the said court that "since the four policemen were reinstated to their former positions and were paid their corresponding back wages it is only just and proper that they should be entitled to the leave benefits which they would have enjoyed had they not been discriminated against. The argument of respondent that the four policemen more than enjoyed vacation and sick leave with pay during the entire six-year period while being laid off because they received their back wages without rendering any kind of service is against reason and logic. They failed to work from October 11, 1954 to November 7, 1960, through no fault of their own, but due to the discriminatory act of the Company."

Indeed, the stance assumed by the company contravenes the law which decrees that vacation and sick leaves are cumulative and that any part thereof which is not taken within the calendar year in which earned may be carried over to the succeeding years. The four policemen are rightly entitled to these cumulative leaves, for their separation was not of their own choosing, nor due to their own undoing, as they did not voluntarily resign, nor were they separated from the service through their own fault (see secs. 284 and 285-A, in relation to sec. 286, Rev. Adm. Code, as amended by R.A. 611).

The cases cited by the petitioner are not applicable. In the *Sun Ripe Coconut Products, Inc.* case, the vacation leave therein sought was not a matter of right but "a mere concession or act of grace of the employer". And in the *Taguilig* case, the laborer therein concerned was lawfully dismissed for "frequent absences, leaving the premises untidy, and allowing relatives to stay therein", this Court adding that "his employment was without a definite period and could therefore, pursuant to Republic Act No. 1950, be terminated by the company at any time with or without cause so long as he was given a month's notice in advance or paid the equivalent of his salary for that month."

ACCORDINGLY, with the deletion of the portions of the order of the CIR of July 31, 1961, which award shoes, khaki suitings, helmets and ponchos, or their money value, for the period from October 11, 1954 to November 7, 1960, the said order is affirmed in all other respects. No pronouncement as to costs.

Concepcion, C.J., Reyes, Dizon, Regala, Makalintal, Bengzon, Zaldivar and Sanchez, JJ., concur.

[1] By virtue of R.A. 632, as amended by R.A. 1328, the PHIL-SUGIN came into existence, and the assets of the defunct Insular Sugar Refining Corporation were purchased by it.

[2] This date should read June 20, 1949.

[3] Sabas Camacho was retired effective December 1954; Leopoldo Lanuza was dismissed dishonorably for inciting an illegal strike.

[4] Amended on December 9, 1954.

[5] "Indubitable" is defined in 42 C.J.S., 1370, as "something which cannot be doubted; also certain and unquestionable; without doubt."

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.