

## **CIRTEK EMPLOYEES LABOR UNION-FEDERATION OF FREE WORKERS PETITIONER, VS. CIRTEK ELECTRONICS, INC., RESPONDENT.**

*G.R. No. 190515. June 06, 2011*

Ponente: CARPIO MORALES, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-190515/>

---

### **CARPIO MORALES, J.:**

This resolves the motion for reconsideration and supplemental motion for reconsideration filed by respondent, Cirtek Electronics, Inc., of the Court's Decision dated November 15, 2010.

Respondent-movant avers that petitioner, in filing the petition for certiorari under Rule 65, availed of the wrong remedy, hence, the Court should have dismissed the petition outright. It goes on to aver that the Court erred in resolving a factual issue — whether the August 24, 2005

Memorandum of Agreement (MOA) was validly entered into —, which is not the office of a petition for certiorari.

Respondent-movant further avers that the MOA[1] signed by the remaining officers of petitioner Union and allegedly gratified by its members should have been given credence by the Court.

Furthermore, respondent-movant maintains that the Secretary of Labor cannot insist on a ruling beyond the compromise agreement entered into by the parties; and that, as early as February 5, 2010, petitioner Union had already filed with the Department of Labor and Employment (DOLE) a resolution of disaffiliation from the Federation of Free Workers resulting in the latter's lack of personality to represent the workers in the present case.

The motion is bereft of merit.

Respondent indeed availed of the wrong remedy of certiorari under Rule 65. Due, however, to the nature of the case, ape involving workers' wages and benefits, and the fact that whether the petition was filed under Rule 65 or appeal by certiorari under Rule 45 it was filed within 15 days (the reglementary period under Rule 45) from petitioner's receipt of the resolution of the Court of Appeals' Resolution denying its motion for reconsideration, the Court resolved to give it due course. As *Almelor v. RTC of Las Piñas, et al.*[2] restates:

Generally, on appeal taken either to the Supreme Court or the CA by the wrong or inappropriate mode shall be dismissed. This is to prevent the party from benefiting from one's neglect and mistakes. However, like most rules, it carries certain exceptions. After all, the ultimate purpose of all rules of procedures is to achieve substantial justice as expeditiously as possible. (emphasis and underscoring supplied)

Respecting the attribution of error to the Court in ruling on a question of fact, it bears recalling that a QUESTION OF FACET arises when the doubt or difference arises as to the truth or falsehood of alleged facts,[3] while a QUESTION OF LAW exists when the doubt or difference arises as to what the law is on a certain set of facts.

The present case presents the primordial issue of whether the Secretary of Labor is empowered to give arbitral awards in the exercise of his authority to assume jurisdiction over labor disputes.

Ineluctably, the issue involves a determination and application of existing law, the provisions of the Labor Code, and prevailing jurisprudence.

Intertwined with the issue, however, is the question of validity of the MOA and its ratification which, as movant correctly points out, is a question of fact and one which is not appropriate for a petition for review on certiorari under Rule 45. The rule, however, is not without exceptions, viz:

This rule provides that Hie parlies may raise only iquestions of law, because the Supreme Court is dot a trier of facts. Generally, we are not duty-bound to analyze again and weigh the evidence'introduced in and considered by the tribunals below. When supported by substantial evidence, the findings of fact of the CA are conclusive and binding on the parties and are not renewable by this Court, unless the case falls under any of the following recognized exceptions:

- (1) When the conclusion is a finding grounded entirely on speculation, surmises and conjectures:
- (2) When the inference made is manifestly mistaken, absurd or impossible;
- (3) Where there is a grave abuse of discretion:
- (4) When the judgment is based on a misapprehension of facts;
- (5) When the findings of fact are conflating:
- (6) When the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee;
- (7) When the findings arc contrary to those of , the trial court:
- (8) When the findings of fact art without citation of specific evidence on which the conclusions are based;
- (9) When the facts set forth in the petition as well as in the petitioners1 main and reply briefs are not disputed by the respondents; and
- (10) When the findings of fact of the Court of Appeals are premised on the supposed absence of evidence and contradicted by the evidence on record, (emphasis and underscoring supplied)

In the present case, the findings of the Secretary of Labor and the appellate court on whether the MOA is valid and binding are conflicting, the former giving scant consideration thereon, latter affording it more and the weight.

As found by the Secretary of Labor, the MOA came about as a result of the constitution, at respondent's behest, of the Labor- Management Council (LMC) which, he reminded the parties, should not be used as an avenue for bargaining but for the purpose of affording workers to participate in policy and derision-making. Hence, the agreements embodied in the MOA were not the proper subject of the LMC deliberation or procedure but of CBA negotiations and, therefore, deserving little weight.

The appellate court, held, however, that the Secretary did not have the authority to give an arbitral award higher than what was stated in the MOA. The conflicting views drew the Court to re-evaluate the facts as borne by the records, an exception to the rule that only questions of law may be dealt with in an appeal by certiorari under Rule 45.

As discussed in the Decision under reconsideration, the then Acting Secretary of Labor Manuel G. Imson acted well within his jurisdiction in ruling that the wage increases to be given are P10 per day effective January 1, 2004 and P15 per day effective January 1, 2005, pursuant to his power to assume jurisdiction under Art. 263 (g)[4] of the Labor Code.

While an arbitral award cannot per se be categorized as an agreement voluntarily entered into by the parties because it requires the interference and imposing power of the State thru the Secretary of Labor when he assumes jurisdiction, the award can be considered, as an approximation of a collective bargaining agreement which would otherwise have been entered into by the parties. Hence, it has the force and effect of a valid contract obligation between the parties.[5]

In determining arbitral awards then, aside from the MOA, courts considered other factors and documents including, as in this case, the financial documents[6] submitted by respondent as well as its previous bargaining history and financial outlook and improvements as stated in its own website.[7]

The appellate court's ruling that giving credence to the "Pahavag" and the minutes of the meeting which were not verified and notarized would violate the rule on parol evidence is erroneous. The parol evidence rule, like other rules on evidence, should not be strictly applied in labor cases. *Interphil Laboratories Employees Union-FFW v. Interphil Laboratories Inc.*[8] teaches:

[R]eliance on the parol evidence rule is misplaced. In labor cases pending before the Commission or the Labor Arbiter, the rules of evidence prevailing in courts of law or equity are not controlling. Rules of procedure and evidence are not applied in a very rigid and technical sense in labor cases. Hence, the Labor Arbiter is not precluded from accepting and evaluating evidence other than, and even contrary to, what is stated in the CBA. (emphasis and underscoring [supplied])

On the contention that the MOA should have been given credence because it was validly entered into by the parties, the Court notes that even those who signed it expressed reservations, thereto. A CBA (assuming in this case that the MOA can be treated as one) is a contract imbued with public interest. It must thus be given a liberal, practical and realistic, rather than a narrow and technical construction, with due consideration to the context in which it is negotiated and the purpose for which it is intended.[9]

As for the contention that the alleged disaffiliation of the Union from the FFW during the pendency of the case resulted in the FFW losing its personality to represent the Union, the same does not affect the Court's upholding of the authority of the Secretary of Labor to impose arbitral awards higher than what was supposedly agreed upon in the MOA. Contrary to respondent's assertion, the "unavoidable issue of disaffiliation" bears no significant legal repercussions to warrant the reversal of the Court's Decision.

En passant, whether there was a valid disaffiliation is a factual issue. Besides, the alleged disaffiliation of the Union from the FFW was by virtue of a Resolution signed on February 23, 2010 and submitted to the DOLE Laguna Field Office on March 5, 2010 two months after the present petition was filed on December 22, 2009, - hence, it did not affect FFW and its Legal Center's standing to file the petition nor this Court's jurisdiction to resolve the same.

At all events, the issue of disaffiliation is an infra-union dispute which must be resolved in a different forum in an action at the instance of either or both the FFW and the Union or a rival labor organization, not the employer.

An infra-union dispute refers to any conflict between; and among union members, including grievances arising from any violation of the rights and conditions of membership, violation of or disagreement over any provision of (he union's constitution and by-laws, or disputes arising from chartering or disaffiliation of the union. Sections 1 and 2. Rule XI of Department Order No. 40-03, Series of 2003 of the DOLE enumerate the following circumstances as inter/intra-union disputes, viz:

RULE XI  
INTER/INTRA-UNION DISPUTES AND  
OTHER RELATED LABOR RELATIONS DISPUTES

SECTION I. Coverage. - Inter/intra-union disputes shall include:

(a)

cancellation of registration of a labor organization filed by its members or by another labor organization:

(b)

conduct of election of union and workers' association officers/nullification of election of union and workers' association officers;

(c)

audit/accounts examination of union or workers association funds:

(d)

deregistration of collective bargaining agreements:

(e)

validity/invalidity of union affiliation or disaffiliation:

(f)

validity/invalidity of acceptance/non-acceptance for union membership;

(g)

validity/invalidity of impeachment/expulsion;- of union and workers' association officers and members:

(h)

validity/invalidity of voluntary recognition;

(i)

opposition to application for union and CBA registration:

(j)

violations of or disagreements over any provision in a union or workers' association constitution and by-laws:

(k)

disagreements over chartering or registration of labor organizations and collective bargaining agreements:

(l)

violations of the rights and conditions of union or workers' association membership;

(m)

violations of the rights of legitimate labor organizations, except interpretation of collective bargaining agreements;

(n)

such other disputes or conflicts involving the rights to self- organization, union membership and collective bargaining -

- (1) between and among legitimate labor organizations;
- (2) between and among members of a union or workers' association.

SECTION 2. Coverage. - Other related labor relations disputes shall include any conflict between a labor union and the employer or any individual, entity or group that is not a labor organization or workers' association. This includes: (1) cancellation of registration of unions and workers' associations; and (2) a petition for interpleader.[10] (emphasis supplied)

Indeed, as respondent-movant itself argues, a local union may disaffiliate at any time from its mother federation, absent any showing that the same is prohibited under its constitution or rule. Such, however, does not result in it losing its legal personality altogether. Verily, *Anglo-KMU v. Samahan Ng Mga Manggagawang Nagkakaisa Sa Manila Bar Spinning Mills At J.P. Coats*[11] enlightens

A local labor union is a separate and distinct unit primarily designed to secure and maintain an equality of bargaining power between the employer and their employee-members. A local union does not owe its existence to the federation with which it is affiliated. It is a separate and distinct voluntary association owing its creation to the will of its members. The mere act of affiliation does not divest the local union of its own personality, neither does it give the mother federation the license to act independently of the local union. It only gives rise to a contract of agency where the former acts in representation of the latter, (emphasis and underscoring supplied)

Whether then, as respondent claims, FFW "went against the will and wishes of its principal" (the member-employees) by pursuing the case despite the signing of the MOA, is not for the Court, nor for respondent to determine, but for the Union and FFW to resolve on their own pursuant to their principal-agent relationship.

WHEREFORE, the motion for reconsideration of this Court's Decision of November 15, 2010 is DENIED.

### SO ORDERED

Leonardo-De Castro, Bersamin, Villarama, Jr., and Sereno, JJ., concur.

---

[1] DOLE records, pp. 251-289.

[2] G.R. No. 179620. August 26, 2008.

[3] *Vide Philippine Veterans Bank v. Monillas*, G.R. No. 167098, March 28, 2008.

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

x x x

[5] *Vide Manila Electric Company v. Quisumbing*, G.R. No. 127598, February 22, 2000, citing *Mindanao*

Terminal and Brokerage Service, Inc. v. Confesor, 338 Phil. 671.

[6] DOLE records, pp. 303-305; 129-250; 32-48.

[7] DOLE records, pp. 306-307.

[8] G.R. No. 142824, December 19, 2001.

[9] Davao Integrated Port Services v. Abarquez, G.R. No 102132. March 19, 1993.

[10] Employee's Union of Bayer Philippines, et. al., v. Barer Philippines, et. al., G.R. No. 162943, December 6, 2010.

[11] G.R. No. 118562 July 5, 1996.

**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.