

RED V COCONUT PRODUCTS, LTD., PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS, TANGLAW NG PAGGAWA, ALBERTO DELA-CRUZ, ET AL., RESPONDENTS.

G. R. No. 21348. June 30, 1966

Ponente: BENGZON, J.P., J.

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BENGZON, J.P., J.:

Red V Coconut Products, Ltd, is a corporation with principal office and place of business at Lucena City. It has in that city a desiccated coconut factory. In said factory, it has several hundred workres, about 800 of said workers are members of Tanglaw ng Paggawa labor union.

Tanglaw ng Paggawa and Red V Coconut Products, Ltd. entered into a collective bargaining agreement on July 15, 1958, Subsequently, however, on October 15, 1961, the aforementioned company and union entered Into another collective bargaining agreement, to expire on October 31, 1965.

The 1958 collective bargaining agreement provided among other things for payment of differentials to night shift workers in the desiccated coconut factory.

The 1961 collective bargaining agreement retained the same arrangement. It stated:

"The present shift differential will remain in effect, namely, 35¢ for the second shift and 55c for the third shift."

In the factory, there are two groups of workers, the three-shift group - let us call it Group A - and the two-shift group - which we shall call Group B. As observed by the parties thereto, differentials were paid to the workers, under the 1958 and 1961 contracts, thus:

Hours of Work

Differentials

Group A-1st shift 4 A. M.-12 Noon (8 Hrs.) None

2nd shift 12 Noon- 8 P.M. (8 Hrs.) .35

3rd shift 8 P. M.-4 A. M. (8 Hrs.) .55

Group B-1st shift 4 A. M.-4 P.M. (12 Hrs.) None

2nd shift 4 P.M.- 4 A. M. (12 Hrs.) .55

On January 17, 1962, Tanglaw ng Paggawa and some 300 workers in the above-stated factory, members of the said union, who belong to Group B, filed a petition in the Court of Industrial Relations. Petitioners therein alleged that the petitioners-workers are shellers, parers, counters and haulers in the two shifts (Group B) consisting of 12 hours each shift, the first shift from 4:00 A.M. to 4:00 P.M. and the second shift from 4 P.M. to 4 A.M.; that said

workers change shift assignments every week; that, accordingly, all of them work from 4 A.M. to 4 P.M. (first shift) for two alternate weeks per month and from 4 P.M. to 4 A.M. (second shift) likewise for two alternate weeks in a month; that although said workers perform work from 4 P.M. to 4 A.M., they receive only P.55 differential pay for the corresponding hours of night work; that their nightwork is equivalent to the nightwork of the 2nd and 3rd shifts of Group A combined, so that they should receive what the 2nd and 3rd shifts of Group A, combined, receive as differential pay, namely, P.90 (P.55 plus P.35); that, therefore, they are entitled to payment of P.35 more as differential pay, since up to the time of the petition, they received only P.55 per night as differential pay.

Said additional P.35 was asked by the petitioners-workers of Group B for work done by them from 4 P.M. to 4 A.M. Their claim referred to the time from July 15, 1958 to the date of the petition, allegedly at P186.90 per sheller, parer, counter and hauler, or a total sum of P65,228.10 more or less.

Respondent company therein filed on January 28, 1962 a motion to dismiss, stating that the Court of Industrial Relations has no jurisdiction over the case for the reason that the claim asserted in the petition is a simple money claim and that an interpretation of a contract (the collective bargaining agreements) is involved, which pertains to the regular courts.

The Court of Industrial Relations denied said motion by resolution of February 17, 1962 ruling that the claim is for unpaid overtime pay of laborers still employed by the company. Said court likewise denied a motion for reconsideration of the resolution. Red V Coconut Products, Ltd. filed its answer on May 2, 1962.

In the meanwhile, on April 25, 1962, Tanglaw ng Paggawa filed with the Court of Industrial Relations a new and independent petition alleging unfair labor practice against Red V Coconut Products, Ltd. (CIR Case No. 3153-ULP). It was asserted therein that the company refused to grant 15-days leave with pay to the members of the union in violation of the 1961 collective bargaining agreement.

The Court of Industrial Relations, on January 19, 1963, after trial, rendered its decision on the petition for differential pay (CIR Case No. 1642-V). It found therein that the petitioners-workers are engaged on pakiao or piece-work basis, and, therefore, are not entitled to overtime pay under the Eight-Hour Labor Law (Sec. 2, CA 444); that their petition for night shift differentials based on the collective bargaining agreements is meritorious because the company having paid night differentials indiscriminately to the night shift workers of Group A and Group B alike, the payments should be uniform and equal for the night shifts of both groups, that is, P.90. It therefore ordered payment of the deficiency in said differentials to the workers of Group B.

Red V Coconut Products, Ltd., moved for reconsideration of said decision on January 29, 1963. The Court of Industrial Relations en banc denied said motion by resolution of February 25, 1963. And, hence. Red V Coconut Products, Ltd., filed this petition for review herein.

Petitioner herein contends that the present case involves a mere money claim over which the Court of Industrial Relations has no jurisdiction.[1]

It is axiomatic that to determine the issue of Jurisdiction resort is to be made to the allegations in the petition or complaint.[2] The petition for shift differential in the present case, it is true, did not expressly mention the Eight-Hour Labor Law. Nonetheless, it clearly asserted that (1) petitioners-laborers "are working in the Red V Coconut Products, Ltd." and (2) they "work in two (2) shifts (Blue and Red shifts) consisting of approximately 12 hours each shift." Accordingly, from the said allegations, it is proper to regard the petition, as the Court of Industrial Relations did, as one for overtime pay by workers still employed by the company. As such It falls within the Jurisdiction of the Court of Industrial Relations. For the same is in effect an assertion not of a simple

money claim but, as respondent court rightly held, of a claim for overtime pay by workers who are employees of the company.[3]

During the trial, as stated, evidence was adduced to the effect that the aforesaid petitioners-workers were engaged on a piece-work basis. The same, however, does not appear from the petition or complaint filed with the respondent court. It therefore cannot affect its Jurisdiction over the case, which was already acquired. For Jurisdiction, once acquired, continues until final adjudication of the litigation.[4]

Furthermore, although the Eight-Hour Labor Law provides that it does not cover those workers who prefer to be paid on piece-work basis (Sec. 2, CA 444), nothing in said law precludes an agreement for the payment of overtime compensation to piece-workers. And in agreeing to the provision for payment of shift differentials to the petitioners-workers aforementioned. In the bargaining agreement, as well as in actually paying to them said differentials, though not in full, the company in effect freely adhered to an application and implementation of the Eight-Hour Labor Law, or its objectives, to said workers. It should be observed that while the provision in the bargaining agreements speaks of shift differentials for the "second shift" and the "third shift" and Group B has no third shift, said Group B has a second shift, which performs work equivalent to that of the corresponding shifts of Group A. It follows that respondent court did not err in ordering the company to pay the full and equivalent amount of said differentials (P.90) corresponding, under the bargaining agreements, to the workers who performed 12 hours of work, from 4 P.M. to 4 A.M.

And, finally, the laborers in question are not strictly under the full concept of piece-workers as contemplated by law for the reason that their hours of work - that is, 12 hours per shift - are fixed by the employer. As ruled by this Court in *Lara vs. Del Rosario*, 94 Phil. 780, 781-782, the philosophy underlying the exclusion of piece workers from the Eight-Hour Labor Law is that said workers are paid depending upon the work they do "irrespective of the amount of time employed" in doing said work. Such freedom as to hours of work does not obtain in the case of the laborers herein involved, since they are assigned by the employer to work in two shifts for 12 hours each shift. Thus it cannot be said that for all purposes these workers fall outside the law requiring payment of compensation for work done in excess of eight hours. At least for the purpose of recovering the full differential pay stipulated in the bargaining agreement as due to laborers who perform 12 hours of work under the night shift, said laborers should be deemed pro tanto or to that extent within the scope of the aforestated law.

WHEREFORE, the decision and resolution of the Court of Industrial Relations under review are affirmed. So ordered.

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

[1] Relying upon rulings such as *PRISCO vs. PRISCO Workers Union*, L-9288, Dec. 29, 1958; *SMB vs. Betla*, L-16403, Oct. 30, 1961; *Tiberio vs. Manila Pilots Ass'n.*, L-17661, Dec. 28, 1961.

[2] *Administrator etc. vs. Alberto et al.*, L-12133, Oct. 31, 1958; *Campos Rueda Corp. vs. Bautista*, L-18453, Sept. 29, 1962; *American Oxygen & Acetylene Co. vs. CIR*, L-, 18554, Dec. 27, 1962.

[3] *PRISCO vs. CIR*, L-13806, May 23, 1960; *MRR vs. CIR*, L-17871, L-18160, L-18200 and L-18249, January 31, 1964.

[4] *Pamintuan vs. Tiglao*, 53 Phil. 1; *PLASLU vs. CIR*, 93 Phil. 747; *Rizal Surety & Ins. Co. vs. MRR*, L-20875, April 30, 1966.

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