

NATIONAL LABOR UNION, INC., PETITIONER, VS. STANDARD VACUUM OIL COMPANY AND THE COURT OF INDUSTRIAL RELATIONS, RESPONDENTS.

G.R. No. 48170, October 10, 1941

Ponente: OZAETA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-48170/>

OZAETA, J.:

This case is before us on petition for certiorari to review an order entered by the Court of Industrial Relations on January 30, 1941, upon the following facts.

On February 24, 1938, the Court of Industrial Relations decided an industrial dispute arising between the herein petitioner and the Standard Vacuum Oil Company and others and duly certified to said court by the Secretary of Labor. In said decision the court enjoined the respondent companies not to dismiss any of the leaders or laborers who had declared a strike, without just cause and without first submitting such cause to the decision of said court. On November 27, 1939, the respondent Standard Vacuum Oil Company notified the Court of Industrial Relations that it had suspended the following employees for being implicated in a charge for theft of Gargoyles Mobiloils: Eladio Echevarria, Basilio de Castro, Santiago Timbancaya, Felipe Patugalan, Alejandro C. Padua, and Adriano Leyva.

On December 1, 1939, the attorneys for the National Labor Union filed a petition in the Court of Industrial Relations alleging that the above-named employees had been suspended unjustly and without authority of the court on account of their union activities, and asking that the respondent company be ordered to readmit them immediately with back pay from the date of their suspension. The company opposed said petition, reiterating the alleged complicity of the said employees in the theft of Mobiloils; and, alleging that they had been guilty of breach of trust and that there was justifiable cause for definitely discharging them, the company counter petitioned for* authority to discharge the said employees.

The hearing of the petition and counterpetition was had before the Court of Industrial Relations after the City Fiscal had dropped the case for theft against said employees for insufficiency of the evidence. After hearing and considering the evidence adduced before it, the Court of Industrial Relations decided that in the interest of justice and equity Basilio de Castro, Felipe Patugalan, Alejandro C. Padua, and Adriano Leyva should be reinstated by the respondent company in their former positions without back pay, and approved the dismissal of Eladio Echevarria and Santiago Timbancaya as of the dates of their suspension.

The petitioner now seeks a reversal of said order insofar as it approves the dismissal of Echevarria and Timbancaya, and a modification of the same insofar as it denies the back pay of the other employees whom the court ordered reinstated.

It appears from the findings of fact of the Court of Industrial Relations that Eladio Echevarria was the foreman of the Lubricating Oil Department and Santiago Timbancaya, the checker of the Luboil Department; and that during their employment as such, shortages of stock of oil were discovered to have occurred during the month of

November, 1939. The court also found that nothing could be removed from the warehouse without the knowledge of the checker Santiago Timbancaya. In another part of its order the court stated:

"* * * Timbancaya, on the other hand, admitted that he knew that Castor and Echevarria have [had] stolen and sold oil belonging to the complainant about November, 1939, and as a matter of fact was given the amount of P61 as his share out of the net proceeds of the sale." Referring particularly to Echevarria and Timbancaya, the court said:

"While it may be admitted that the evidence against these two are not sufficient in a criminal case to convict them, nevertheless, for these losses in their respective departments they are responsible. If at all they were not the guilty ones, at least, they owed it to themselves and to the company to exert all efforts to apprehend the guilty persons, or to bring to the attention of the company any theft or anomaly within their knowledge. In the face of these losses without the culprits having been brought before the law, and considering the nature of their work, they cannot, indeed, profess innocence or ignorance, and the company's contention of having lost its trust and confidence is well taken and the dismissals of these two persons are warranted."

The petitioner assails the foregoing conclusions of the Court of Industrial Relations and contends that the finding of the City Fiscal to the effect that there was no sufficient evidence to support the charge of theft was binding and conclusive upon said court.

Such contention, in our opinion, is untenable. The conviction of an employee in a criminal case is not indispensable to warrant his dismissal by his employer. If the Court of Industrial Relations finds that there is sufficient evidence to show that the employee has been guilty of a breach of trust, or that his employer has ample reason to distrust him, it cannot justly deny to the employer the authority to dismiss such employee. All that is incumbent upon the Court of Industrial Relations to determine is whether the proposed dismissal is for a just cause, or is on account of the employee's union activities. It is not necessary for said court to find that an employee has been guilty of a crime beyond reasonable doubt in order to authorize his dismissal.

We cannot say from the record before us that the alleged union activities of the employees in question were the determinative cause of their dismissal by the respondent company. They may have been active unionists, as petitioner alleges; but if, as found by the Court of Industrial Relations from the evidence, they were to blame for the loss of merchandise entrusted to them by their employer, their alleged union activities are of no controlling effect in the determination of the cause of their dismissal.

Petitioner further argues "that it is a well settled rule in criminal law that a person not criminally liable is also not civilly liable." Such argument is beside the point, because the employees in question are not being sued civilly for the value of the lost property. Their dismissal from the service is being sought, not because they are civilly liable for the loss of merchandise entrusted to them, but because on account of that loss it is not safe for their employer to continue entrusting its properties to them.

With regard to the back pay of the other employees involved herein, the Court of Industrial Relations found that, taking into account the nature of their work, the company's action in suspending them pending this case was not without reason. We find no sufficient justification from the record to reverse this conclusion of the trial court. It is a question of fact rather than of law; and under section 14 of Commonwealth Act No. 103, we are only authorized to review an order of the Court of Industrial Relations upon a question of law.

The order under review is affirmed, with costs. So ordered.

Abad Santos, Diaz, Moran, and Horrilleno, JJ., concur.

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.