

**PAN AMERICAN EMPLOYEES ASSOCIATION-NTUAI –
TRANSPHIL – TUPAS, PETITIONER, VS. THE HONORABLE
NATIONAL LABOR RELATIONS COMMISSION, PAN AMERICAN
WORLD AIRWAYS, INC. AND JOSEPH A. B...**

G.R. No. 72473. October 13, 1986

Ponente: NARVASA, J.

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NARVASA, J.:

In NLRC Case NCR-12-5569-83 instituted by petitioner union for enforcement of a provision in its Collective Bargaining Agreement with Pan American World Airways (hereafter referred to simply as PAN AM) judgment was rendered by the labor arbiter on July 1, 1985, declaring that the provision in question (Article XI, Section 4) "must be complied with by the respondents beginning July 1, 1981", and that in accordance therewith, there should be increases and upward adjustments of "the salaries of all CBA-covered employees" pursuant to the percentages fixed in the agreement annually from 1981 to 1985.[1]

On learning that PAN AM "had already sold its Pacific Division, including its operations in the Philippines, to United Airlines," a fact not disputed, petitioner union filed on July 19, 1985 a motion for immediate execution of the decision of July 1, 1985.[2] This was opposed by PAN AM which contended that "the Decision is now subject of appeal x x x separately taken by the parties," and moreover, it was "able and willing to submit a supersedeas bond in an amount fixed by x x x (the Arbiter) to satisfy complainant's claims in the remote event that the case be finally decided in its favor"[3].

The parties could not however agree on the amount of the supersedeas bond. It was the union's submission that the bond should be in the amount of P7,968,139.00[4]. On the other hand, PAN AM was of the view that "the amount of the bond should be based on the decision" and "suggested that the computation be referred to a Socio-Economic Analyst in order that the supersedeas bond be fixed"[5]. The Analyst computed the amount due to the employees at P6,094,647.00[6]; and on the basis thereof the labor arbiter promulgated an Order on September 23, 1985 directing PAN AM and its Director, Joseph Basso, "to post a cash bond or supersedeas bond sufficient to cover the original decision during the entire period of appeal, in the amount of SIX MILLION PESOS P6,000,000.00) x x x within ten (10) days x x x; and upon posting x x x of the corresponding bond and approval thereof, execution of the decision appealed from shall be automatically stayed[7].

Three days earlier, however, or on September 20, 1985, without awaiting the arbiter's action on the computation which was undertaken by the Analyst on their own suggestion, and in an evident attempt to be relieved of the obligation to post any bond at all, PAN AM and Basso filed with the National Labor Relations Commission a "PETITION FOR INJUNCTION,"[8] alleging that they had appealed from the arbiter's decision on July 19, 1985, that the arbiter was "threatening and will most likely execute the decision under appeal," and (quite inaccurately, it must be said) "the execution of the appealed decision will cause x x x (them) grave and irreparable injury especially so because x x x(the union) had on its own corrected and rectified the monetary award which it now

seeks to enforce." [9] They also appealed from the Order of September 23, 1985. [10]

The union filed a motion to dismiss the injunction petition [11] claiming it to be without basis whatever, accusing PAN AM of deliberate misrepresentations, and contending that PAN AM should not be allowed to take inconsistent positions which would result in brazen deception. The motion failed.

By Resolution dated October 17, 1985 [12] the Commission en banc set aside the arbiter's Order of September 23, 1985 (directing the posting of a supersedeas bond) because "issued by Labor Arbiter Sofronio Ona after the parties had perfected their appeal from the decision dated July 1, 1985 and, therefore, x x x (when he) had no more jurisdiction over the x x x case, x x x without prejudice for x x x (the union) to seek the proper remedy with the Commission en banc."

It is this resolution which the Union now impugns in the petition before this Court as having been rendered in excess of the Commission's jurisdiction or with grave abuse of discretion.

Petitioner union is entitled to relief. Substantial justice is on its side. PAN AM having divested itself of all its property and interests in the Philippines in favor of another foreign air line, there has arisen in consequence an obvious necessity for reasonable assurance that that divestment should not foreclose enforcement of the existing judgment against it in the not inconsiderable sum of at least P6,000,000.00, to the prejudice of its numerous Filipino employees.

PAN AM has in fact acknowledged the necessity for such an assurance. It has more than once declared itself willing and able to post a bond to guarantee satisfaction of the judgment against it in the event that it should become final and executory. In fact it suggested the mode by which the amount of the bond might be fixed. And it cannot be gainsaid that such representations, and the concomitant proceedings to fix the amount of the supersedeas bond, whether intended or not, did effectively prevent execution of the judgment during the period of several weeks that the amount of the bond was being debated and determined. PAN AM cannot now be allowed to renege on this commitment. Substantial justice demands that it fulfil its commitment to post the bond in order to stay execution of the judgment against it pending resolution of the appeal therefrom. This consideration cannot be outweighed by the claim that procedural errors were committed by the Labor Arbiter.

There is in fact no procedural error that may be imputed to the arbiter in requiring the posting of a supersedeas bond by PAN AM as a condition for the stay of immediate execution of the judgment against it, after appeal had been taken from said judgment. Given the undisputed fact that the motion for immediate execution was presented within the period of appeal, it was perfectly legitimate and within the arbiter's competence for him to consider the matter and resolve it even after the lapse of the appeal period. So has this Court ruled [13].

The writ of certiorari will issue as prayed for.

WHEREFORE, the Order of respondent National Labor Relations Commission dated October 17, 1985 is annulled and set aside, and that of the Labor Arbiter dated September 23, 1985 reinstated and declared to be controlling and immediately enforceable. Costs against private respondents.

SO ORDERED.

Yap (Chairman), Melencio-Herrera, Cruz, and Feliciano, JJ., concur.

[1] Rollo, pp. 14-20

[2] Rollo, pp. 29-32

[3] Rollo, p. 33

[4] Pan Am's Comment on Complainant's Computation, Rollo, pp. 37-38

[5] Rollo, p. 38

[6] Rollo, pp. 4, 39-40

[7] Rollo, p. 41

[8] Rollo, pp. 43-47

[9] Rollo, p. 44

[10] Rollo, pp. 51-55

[11] Rollo, pp. 48-50

[12] Rollo, p. 56

[13] (Universal Far East Corporation vs. Court of Appeals, 131 SCRA 642, 646; Yabut vs. Intermediate Appellate Court, G.R. No. 69208, May 28, 1986)

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