

Continental Steel Manufacturing Corporation v. Accredited Voluntary Arbitrator Allan S. Montaña and Nagkakaisang Manggagawa ng Centro Steel Corporation-Solidarity of Unions in the Philippines for Empowerment and Reforms (NMCSC-SUPER)

618 Phil. 634

****Facts:****

Rolando P. Hortillano, an employee of Continental Steel Manufacturing Corporation (Continental Steel) and a member of Nagkakaisang Manggagawa ng Centro Steel Corporation-Solidarity of Unions in the Philippines for Empowerment and Reforms (Union), applied for bereavement leave and death benefits under the Collective Bargaining Agreement (CBA) following the death of his unborn child. Hortillano's wife had a premature delivery at 38 weeks, and the fetus was delivered dead due to fetal anoxia secondary to uteroplacental insufficiency. Continental Steel granted paternity leave but denied the bereavement leave and other death benefits, arguing the fetus did not have juridical personality.

Attempts to resolve the dispute through the CBA grievance machinery failed, leading the Union to file a Notice to Arbitrate before the National Conciliation and Mediation Board (NCMB). Both parties agreed to submit the issue to voluntary arbitration to be decided by Accredited Voluntary Arbitrator Allan S. Montaña. The Union argued that the CBA did not require the dependent to have juridical personality for the death benefits to be claimed. Continental Steel maintained that the CBA intended the benefits for legal persons, not unborn fetuses.

Arbitrator Montaña ruled in favor of Hortillano, stating that the unborn child qualified as a legitimate dependent, hence the bereavement leave and death benefits were due. Continental Steel's petition to the Court of Appeals to overturn this decision was unsuccessful, as the appellate court affirmed Arbitrator Montaña's resolution. Continental Steel then elevated the case to the Supreme Court.

****Issues:****

1. Whether the death of an unborn child qualifies as the death of a dependent under the CBA terms.
2. Whether juridical personality is required for a dependent's death to be considered under the CBA for bereavement leave and other death benefits.

****Court's Decision:****

****Legal Issue 1: Qualification of Unborn Child as a Dependent****

The Supreme Court supported the findings of the Voluntary Arbitrator and the Court of Appeals. The definition of a dependent, as highlighted by the Union and explained by the Arbitrator, includes reliance on another for support. The appellate court's interpretation was that bereavement leave and death benefits extend to employees facing the loss of a legitimate relationship-dependent, regardless of the child's juridical status. Consequently, the unborn child of Hortillano met the criteria of a dependent.

****Legal Issue 2: Necessity for Juridical Personality****

The Court underscored that civil personality, as governed by Civil Code Articles 40, 41, and 42, is separate from the definition of life and death. The Constitution recognizes the life and protection of the unborn from conception. Hence, the cessation of an unborn child's life is treated as a death. Given that the fetus was already viable and reliant on the mother's sustenance, it qualified as a dependent under the CBA.

Doctrine:

The case established that unborn children are considered dependents for the purpose of bereavement leave and death benefits under CBAs when their death occurs. The Court emphasized interpreting CBAs in favor of laborers, ensuring their benefits are swiftly and fairly awarded.

Class Notes:

1. ****Legitimate Dependent in CBA****: An unborn child may be considered a legitimate dependent for bereavement leave and death benefits as per broad CBA interpretations.
2. ****Civil Code Articles****: Articles 40, 41, and 42, dealing with civil personality and death must be contextually applied in labor disputes.
3. ****Constitutional Protection****: Article II, Section 12 of the Constitution supports the protection of the unborn child's life from conception.
4. ****Pro-labor Interpretation****: Doubts or ambiguities in labor legislations and CBA provisions should be resolved in favor of the laborer, aligned with social justice principles.
5. ****Definition of Death****: Death is defined broadly as the cessation of life, whether or not a person has acquired juridical personality.

Historical Background:

The case is situated in the historical context of labor imperatives in the Philippines, reinforcing pro-labor adjudications and recognizing comprehensive family benefits under labor agreements. This decision is significant in demonstrating how labor jurisprudence can

reconcile technical legal definitions with the overarching social justice ethos embedded in the Philippine legal system, honoring the constitutional commitment to protect family life.