

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT  
THIRD DIVISION**

**HOLY CROSS OF DAVAO COLLEGE,  
INC.,**

***Petitioner,***

***-versus-***

**G.R. No. 156098  
June 27, 2005**

**HOLY CROSS OF DAVAO FACULTY  
UNION - KAMAPI,**

***Respondent.***

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**DECISION**

**SANDOVAL-GUTIERREZ, J.:**

At bar is a Petition for Review on Certiorari under Rule 45 of the 1997 Rules of Civil Procedure, as amended, assailing the Decision<sup>[1]</sup> dated June 5, 2002 and Resolution<sup>[2]</sup> dated October 18, 2002 rendered by the Court of Appeals in CA-G.R. SP No. 65507, entitled “Holy Cross of Davao College, Inc. vs. Holy Cross of Davao Faculty Union - KAMAPI.”

The facts as borne by the records are:

Holy Cross of Davao College, Inc., petitioner, is a tertiary level educational institution at Sta. Ana Avenue, Davao City.

Sometime in June 1997, petitioner and Holy Cross of Davao College Faculty Union – KAMAPI,<sup>[3]</sup> respondent, executed a collective bargaining agreement (CBA) providing for a faculty development scholarship for academic teaching personnel.

On January 16, 1998, petitioner received a letter of invitation for the 1999 Monbusho scholarship grant (In-Service Training for Teachers)<sup>[4]</sup> offered and sponsored by the Japanese Government, through the Japan Information and Cultural Center (JICC).

This prompted Jean Legaspi, a permanent English teacher in petitioner's high school department, to submit her application.

Meantime, on March 31, 1999, petitioner issued policy statement and guidelines on educational trips abroad for the school year 1998 to 1999.

In a letter dated August 25, 1999, JICC informed Jean Legaspi that she was selected as a recipient of the scholarship. Consequently, she requested petitioner to allow her to be on study leave with grant-in aid equivalent to her 18 months salary and allowance, pursuant to Section 1, Article XIII of the CBA. However, petitioner denied her request, claiming that she is not entitled to grant-in aid under its "Policy Statement and Guidelines for Trips Abroad for Professional Growth." Nevertheless, petitioner granted her 12 months study leave without pay from October 1999 to September 2000.

Before she left for Japan, she asked respondent union KAMPI to submit to the Grievance Committee petitioner's refusal to grant her claim for grant-in aid, but the same was not settled.

Thus, respondent filed with the National Conciliation and Mediation Board (NCMB), Regional Office No. XI, Davao City, a complaint for payment of grant-in aid against petitioner. In a Submission Agreement dated June 23, 2000, the parties stipulated to submit the case for voluntary arbitration.

On March 26, 2001, after the parties submitted their pleadings and position papers, the Voluntary Arbitrator rendered a Decision

ordering petitioner to pay respondent's member, Jean A. Legaspi, her grant-in aid benefits, the dispositive portion of which reads:

“WHEREFORE, premises considered, decision is hereby rendered:

1. Declaring that there is non-implementation of Article XIII, Section 1 of the existing collective bargaining agreement (CBA) in the case of Miss Jean A. Legaspi, a bonafide member of the complainant faculty union;
2. Ordering respondent Holy Cross of Davao College to pay Miss Jean A. Legaspi her grant-in aid benefit equivalent to her salary, COLA and other benefits under the law and collective bargaining agreement during the period of her scholarship grant; and
3. Directing respondent to cease and desist from committing a similar offense to prevent another dispute in the future, thus, ensure industrial peace.

SO ORDERED.”

Petitioner then filed a motion for reconsideration but the same was denied in a Resolution dated June 20, 2001.

Thereafter, petitioner filed with the Court of Appeals a petition for review under Rule 43 of the 1997 Rules of Civil Procedure, as amended.

On June 5, 2002, the Appellate Court promulgated its Decision affirming the Voluntary Arbitrator's assailed Decision. The Court of Appeals held:

“The terms of the CBA are clear and leave little room for further interpretation. In this case, the provision on faculty development operated both to grant and limit the rights of the parties. As such, while the provision obliges petitioner to provide grant-in aid programs to its faculty, it also requires such faculty to be bound in employment to petitioner for a

certain period of time, all in the recognized need to increase the competence of the school's faculty. Legaspi satisfied all the requirements under the CBA. She agreed to keep her part of the bargain under the terms of the CBA. Despite her increased professional competence after undergoing foreign training, she bound herself to continue working for petitioner for at least two years for every year of scholarship study.

Since the collective bargaining agreement is considered the law between the parties, containing as it does the agreed terms of employment of the employee with his employer, unilaterally imposed orders or rules qualifying the terms contained in the agreement are subordinate to the CBA. At most, such rules, such as the rules on trips abroad formulated by petitioner a few months before Legaspi's application, are merely supplementary and can neither contradict nor undermine the terms found in the CBA.

X X X

Of course, petitioner asseverates that far from deviating from the terms of the CBA, petitioner in fact merely enforces its terms, in that Section 1 of Article XIII specifies what petitioner calls the 'substantive conditions' for availment of the benefit, to wit: that the course must be related to her functions with petitioner and that it must be in the pursuit of a higher degree. None of these conditions, according to petitioner, was satisfied by the Monbusho scholarship because the training will be conducted in a foreign language and will only lead to the grant of a certificate of completion and not a masters or higher degree.

Even on these ratiocinations, however, petitioner still fails to persuade this court. Contrary to petitioner's insistence, Legaspi's foreign training is clearly related to her work with petitioner and will lead to an advancement in her qualifications for her job.

First of all, we stress that it is petitioner's president herself who, presumably after determining the worth of allowing its faculty to undergo an in-service training in a premier foreign institution, immediately advertised the availability of the scholarship. That

petitioner itself encouraged its faculty to apply for the scholarship effectively demonstrates that petitioner believed that availment of the training will contribute not only to the professional advancement of its faculty but also to the development of the quality of education in the school.

Second, and more importantly, a cursory examination of the contents of the course manifests its relevance to Legaspi's work with petitioner. The training program which focuses on areas such as '(a) Educational Management (e.g. Educational Administration and Finance, School Management), (b) Methods of Education (e.g. Teaching-Learning Process System, Curriculum Development, Educational Evaluation), (c) Study of Special Subjects (e.g. Mathematics, Physics, Chemistry, Physical Education), and (d) Observation Study (e.g. Inspection of a Class Participation in Special Extra-curricular Practice, Inspection of Various Educational Research Services)' obviously relates to enhancing Legaspi's effectiveness as a teacher. The fact that the medium of instruction is Japanese does not negate the program's relevance to Legaspi's work as an English teacher because the course contents were designed to hone her skills in effectively teaching her students.

Further, while no degree but only a certificate will be conferred on Legaspi, she should not be barred from availing of the benefits under the CBA. Indeed, the CBA merely states 'higher studies' and did not specify to which trainings the benefit will apply. If the CBA intended that such trainings be confined to those which will formally grant degrees as petitioner contends, the agreement should have so stated. Contrary thereto, however, the CBA provides the award of grant-in-aid benefits to faculty members who will pursue 'higher studies.' The term is so broad as to include programs that would grant certificates and not degrees. In any case, the unassailable truth is that the certificate which is granted by a premier foreign institute, is an added higher qualification in favor of Legaspi in recognition of her increased competence in handling her classes under petitioner's auspices.

In any event, the construction of any ambiguity in the CBA, such as which course would be relevant to Legaspi's job, and whether such course comprises 'higher studies' should be made in favor of the

employee, Legaspi, in consonance with the rule that labor laws and agreements should be construed in favor of the working man.

WHEREFORE, the assailed decision is hereby AFFIRMED.  
Costs against petitioner.

SO ORDERED.”

On October 18, 2002, the Court of Appeals issued a Resolution denying petitioner’s motion for reconsideration.

Hence, this petition for review on certiorari.

Petitioner contends that the Appellate Court erred in interpreting the parties’ CBA, thereby, restricting its exercise of academic freedom; that it is not obliged to grant Jean Legaspi a grant-in aid considering that she failed to comply with the substantive requirements set forth in their CBA, such as (1) that the course is within her area of competence; and (2) that she will acquire higher academic degree; and that the Monbusho scholarship is a non-degree program outside her area of competence (English).

Petitioner’s contentions lack merit.

The basic issue for our resolution is whether Jean Legaspi is entitled to grant-in aid benefits in light of the CBA between the parties.

To begin with, any doubt or ambiguity in the contract (CBA) between management and the union members should be resolved in favor of the latter. This is pursuant to Article 1702 of the Civil Code which provides: “(I)n case of doubt, all labor legislation and all labor contracts shall be construed in favor of the safety and decent living for the laborer.”<sup>[5]</sup>

Section 1, Article XIII of the CBA provides:

“Section 1. FACULTY DEVELOPMENT. It has always been the policy of the Holy Cross of Davao College that academic teaching personnel must develop within their areas of competence and in so doing have exercised its prerogative to

demand that academic teaching personnel take the necessary measure to effect their upgrading in acquiring higher academic degree. In view thereof, the Management shall grant to all academic personnel a grant-in-aid program, where the academic teaching personnel, whenever scholarship opportunities should arise, be afforded a leave of absence to further their studies in Institutions of Higher Learning with a grant-in-aid equivalent to their salary and allowance (when there is a mandated wage order) that the concerned academic teaching personnel is receiving at the time of the scholarship grant, under the following conditions:

That whenever the school wishes to grant faculty development scholarships, notice to the entire faculty of the department concerned shall be made through a public announcement in the bulletin board. In cases where there are two (2) or more applicants, the Department Head shall set a committee chosen from among the regular and permanent faculty of the department composed of at least three (3) but not more than five (5) members.

That the academic teaching personnel grantee shall finish his/her scholarship grant within time frame of the scholarship grant unless prevented by some causes over, above and beyond his/her control.

That the academic teaching personnel grantee shall sign a contract with the Holy Cross of Davao College to serve therein for at least two (2) years for every year of scholarship study.

That should he/she fail to comply with the conditions of the scholarship grant, she/she shall reimburse the Holy Cross of Davao College with all the amount he/she has received during the pendency of the grant together with all interest thereon allowed by law. No clearance shall be given until full reimbursement plus interest would have been made.”

Along the same line, paragraph 2 of petitioner's Policy Statement and Guidelines for Trips Abroad for Professional Growth (SY 1998-1999) reads:

“The school recognizes that educational trips abroad promote both personal and professional growth. Hence, employees may travel abroad for study tours and to attend seminars, conferences, and other related academic pursuits. The school may provide financial assistance subject to the following guidelines:

X X X

2. That the employee is the official representative of the school upon recommendation of the office head. As such, he/she receives regular salary.

X X X.”

The above provisions state that academic teaching personnel, like Jean Legaspi, as recipient of a scholarship grant are entitled to a leave of absence with a grant-in-aid equivalent to their monthly salary and allowance, provided such grant is to promote their professional growth or to enhance their studies in institutions of higher learning. Such provisions need no interpretation for they are clear. Contracts which are not ambiguous are to be interpreted according to their literal meaning and not beyond their obvious intendment.<sup>[6]</sup>

In *Mactan Workers Union vs. Aboitiz*,<sup>[7]</sup> we held that “the terms and conditions of a collective bargaining contract constitute the law between the parties. Those who are entitled to its benefits can invoke its provisions. In the event that an obligation therein imposed is not fulfilled, the aggrieved party has the right to go to court for redress.”

Thus, the Court of Appeals did not err in its assailed Decision and Resolution.

**WHEREFORE**, the petition is **DENIED**. The assailed Decision dated June 5, 2002 and Resolution dated October 18, 2002 of the

Court of Appeals in CA-G.R. SP No. 65507 are **AFFIRMED**. Costs against petitioner.

**SO ORDERED.**

**PANGANIBAN, J., (Chairman), CORONA, CARPIO MORALES, and GARCIA, JJ., concur.**

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- [1] Penned by Justice Oswaldo D. Agcaoili (retired), and concurred in by Justice Eriberto U. Rosario Jr. (retired) and Justice Danilo B. Pine, Annex “K” of the Petition, Rollo at 210-221.
- [2] Annex “O”, id. at 237-242.
- [3] The sole and exclusive bargaining representative of all the permanent academic teaching personnel of the Holy Cross of Davao College, Inc., Elementary, High School and College teaching force.
- [4] A one-and-a-half year training which is offered to teachers of elementary and high school or employees of Department of Education, Culture and Sports (DECS) with a least five years experience, willing to study at a Japanese University for professional improvement. Applicants must be under 35 years old as of October 1, 1998. This certificate program is composed of Educational Management (e.g. Educational Administration and Finance, School Management); Methods of Education (e.g. Teaching-Learning Process System, Curriculum Development, Educational Evaluation); Study of Special Subjects (e.g. Mathematics, Physics, Chemistry, Physical Education); and Observation Study (e.g. Inspection of a Class Participation in Special Extra-curricular Practice, Inspection of Various Educational Research Services).
- [5] *Plastic Town Center Corporation vs. NLRC*, G.R. No. 81176, April 19, 1989, 172 SCRA 580, 587, cited in *Babcock-Hitachi (Phils.), Inc. vs. Babcock-Hitachi (Phils.), Inc, Makati Employees Union (BHPIMEU)*, G.R. No. 156260, March 10, 2005 at 6 and *Mindanao Steel Corporation vs. Minsteel Free Workers Organization (MINFREWO-NFL) Cagayan de Oro*, G.R. No. 130693, March 4, 2004, 424 SCRA 614, 618.
- [6] *Id.*, citing *Herrera vs. Petrophil Corp.*, 146 SCRA 385 (1986).
- [7] G.R. No. L-30241, June 30, 1972, 45 SCRA 577, 581, citing *Shell Oil Workers Union vs. Shell Company of the Philippines*, 39 SCRA 276 (1971).