SUPREME COURT
EN BANC

MACTAN WORKERS UNION and TOMAS FERRER, as President thereof,
***Plaintiffs-Appellees*,**

-versus-

G.R. No. L-30241
June 30, 1972

DON RAMON ABOITIZ, PRESIDENT, CEBU SHIPYARD & ENGINEERING WORKS, INC.; EDDIE LIM, AS TREASURER; JESUS DIAGO, SUPERINTENDENT OF THE AFORESAID CORPORATION; WILFREDO VIRAY, AS RESIDENT MANAGER OF THE SHIPYARD & ENGINEERING WORKS. INC.; AND THE CEBU SHIPYARD & ENGINEERING WORKS, INC.,
Defendants-Appellees,

ASSOCIATION LABOR UNION,
Intervenor-Appellant.
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D E C I S I O N

FERNANDO, *J.*:

The dispute in this appealed Decision from the Court of First Instance of Cebu on questions of law is between plaintiff Mactan Workers Union[1] and intervenor Associated Labor Union. The former in its complaint on behalf of seventy-two of its members working in defendant corporation, Cebu Shipyard and Engineering Works, Inc.[2] did file a money claim in the amount of P4,035.82 representing the second installment of a profit-sharing agreement under a collective bargaining contract entered into between such business firm and intervenor labor union as the exclusive collective bargaining representative of its workers. The plaintiff was successful both in the City Court of Lapu-Lapu where such complaint was first started as well as in the Court of First Instance of Cebu. It is from the decision of the latter court, rendered on February 22, 1968, that this appeal was interposed by intervenor Associated Labor Union. It must have been an awareness on appellant's part that on the substantive aspect, the claim of plaintiff to what was due its members under such collective bargaining agreement was meritorious that led it to rely on alleged procedural obstacles for the reversal sought. Intervenor, however, has not thereby dented the judgment. As will be more fully explained, there are no applicable procedural doctrines that stand in the way of plaintiff's suit. We affirm.

The facts are not in dispute. According to the decision: "From the evidence presented it appears that the defendant Cebu Shipyard & Engineering Works, Inc. in Lapu-Lapu City is employing laborers and employees belonging to two rival labor unions. Seventy-two of these employees or laborers whose names appear in the complaint are affiliated with the Mactan Workers Union while the rest are members of the intervenor Associated Labor Union. On November 28, 1964, the defendant Cebu Shipyard & Engineering Works, Inc. and the Associated Labor Union entered into a 'Collective Bargaining Agreement' the pertinent part of which, Article XIII thereof, [reads thus]: 'The [Company] agrees to give a profit-sharing bonus to its employees and laborers to be taken from ten per cent (10%) of its net

profits or net income derived from the direct operation of its shipyard and shop in Lapu-Lapu City and after deducting the income tax and the bonus annually given to its General Manager and the Superintendent and the members of the Board of Directors and Secretary of the Corporation, to be payable in two (2) installments, the first installment being payable in March and the second installment in June, each year out of the profits in agreement. In the computation of said ten per cent (10%) to [be] distributed as a bonus among the employees and laborers of the [Company] in proportion to their salaries or wages, only the income derived by the [Company] from the direct operation of its shipyard and shop in Lapu-Lapu City, as stated herein-above-commencing from the earnings during the year 1964, shall be included. Said profit-sharing bonus shall be paid by the [Company] to [Associated Labor Union] to be delivered by the latter to the employees and laborers concerned and it shall be the duty of the Associated Labor Union to furnish and deliver to the [Company] the corresponding receipts duly signed by the laborers and employees entitled to receive the profit-sharing bonus within a period of sixty (60) days from the date of receipt by [it] from the [Company] of the profit-sharing bonus. If a laborer or employee of the [Company] does not want to accept the profit-sharing bonus which the said employees or laborer is entitled under this Agreement, it shall be the duty of the [Associated Labor Union] to return to the money received by [it] as profit-sharing bonus to the [Company] with a period of sixty (60) days from the receipt by the [Union] from the [Company] of the said profit-sharing bonus.'"[3] The decision went on to state: "In compliance with the said collective bargaining agreement, in March, 1965 the defendant Cebu Shipyard & Engineering Works, Inc. delivered to the ALU for distribution to the laborers or employees working with the defendant corporation to the profit-sharing bonus corresponding to the first installment for the year 1965. Again in June 1965 the defendant corporation delivered to the Associated Labor Union the profit-sharing bonus corresponding to the second installment for the 1965. The members of the Mactan Workers Union failed to receive their shares in the second installment of bonus because they did not like to go to the office of the ALU to collect their shares. In accordance with the terms of the collective bargaining after 60 days, the uncollected shares of the plaintiff union members was returned by the ALU to the defendant corporation. At the same time the defendant corporation was advised by the ALU not

to deliver the said amount to the members of the Mactan Workers Union unless ordered by the Court, otherwise the ALU will take such step to protect the interest of its members. Because this warning given by the intervenor union the defendant corporation did not pay to the plaintiffs the sum of P4,035.82 which was returned by the Associated Labor Union, but instead, deposited the said amount with the Labor Administrator. For the recovery of this amount this case was filed with the lower court."[4]

The dispositive portion of such decision follows: "[Wherefore], judgment is hereby rendered ordering the defendants to deliver to the Associated Labor Union the sum of P4,035.82 for distribution to the employees of the defendant corporation who are members of the Mactan Workers Union; and ordering the intervenor Associated Labor Union, immediately after receipt of the said amount, to pay the members of the Mactan Workers Union their corresponding shares in the profit-sharing bonus for the second installments for the year 1965."[5]

It is from such a decision that an appeal was taken by intervenor Associated Labor Union. As is quite apparent on the face of such judgment, the lower court did nothing except to require literal compliance with the terms of a collective bargaining contract. Nor, as will be hereafter discussed, has any weakness thereof been demonstrated on the procedural questions raised by appellant. To repeat, we have to affirm.

1. 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.[6] Nor does it suffice as a defense that the claim is made on behalf of non-members of intervenor Associated Labor Union, for it is a well-settled doctrine that the benefits of a collective bargaining agreement extend to the laborers and employees in the collective bargaining unit, including those who do not belong to the chosen bargaining labor organization.[7] Any other view would be a discrimination on which the law frows. It is appropriate that such should be the case. As was held in

United Restauror's Employees and Labor Union vs. Torres,[8] is Court speaking through Justice Sanchez, "the right to be the exclusive representative of all the employees in an appropriate collective bargaining unit is vested in the labor union 'designated or selected' for such purpose 'by the majority of the employees' in the unit concerned."[9] If it were otherwise, the highly salutory purpose and objective of the collective bargaining scheme to enable labor to secure better terms in employment condition as well as rates of pay would be frustrated insofar as non-members are concerned, deprived as they are of participation in whatever advantages could thereby be gained. The labor union that gets the majority vote as the exclusive bargaining representative does not act for its members alone. It represents all the employees in such a bargaining unit. It is not to be indulged in any attempt on its part to disregard the rights of non-members. Yet that is what intervenor labor union was guilty of, resulting in the complaint filed on behalf of the laborers, who were in the ranks of plaintiff Mactan Labor Union.

The outcome was not at all unexpected. The right being clear all that had to be done was to see to its enforcement. Nor did the lower court in the decision now on appeal, require anything else other than that set forth in the collective bargaining agreement. All that was done was to have the covenants therein contained as to the profit-sharing scheme carried out and respected. It would be next to impossible for intervenor Associated Labor Union to point to any feature thereof that could not in any wise be objected to as repugnant to the provisions of the collective bargaining contract. Certainly the lower court, as did the City Court of Lapu-Lapu, restricted itself to compelling the parties to abide by what was agreed upon. How then can the appealed decision be impugned?

2. Intervenor Associated Labor Union, laboring under such a predicament had perforce to rely on what it considered procedural lapses. It would assail the alleged lack of a cause of action, of jurisdiction of the City Court of Lapu-Lapu and of personality of the Mactan Workers Union to represent its

members. There is no merit to such an approach. The highly sophistical line of argument followed in its brief as appellant does not carry a persuasive ring. What is apparent is that intervenor was hard put to prop up what was inherently a weak, not to say an indefensible, stand. The impression given is that of a litigant clutching at straws.

How can the allegation of a lack of a cause of action be taken seriously when precisely there was a right violated on the part of the members of plaintiff Mactan Workers Union, a grievance that called for redress? The assignment of error that the City Court of Lapu-Lapu was bereft of jurisdiction is singularly unpersuasive. The amount claimed by plaintiff Mactan Workers Union on behalf of its members was P4,035.82 and if the damages and attorney's fees be added, the total sum was less than P10,000.00. Section 88 of the Judiciary Act in providing for the original jurisdiction of city courts in civil cases provides: "In all civil actions, including those mentioned in Rules fifty-nine and sixty-two (now Rules 57 and 60) of the Rules of Court, arising in his municipality or city, and not exclusively cognizable by the Court of First Instance, the municipal judge and the judge of a city court shall have exclusive original jurisdiction where the value of the subject matter or amount of the demand does not exceed ten thousand pesos, exclusive of interests and costs."[10] It is true that if an element of unfair labor practice may be discerned in a suit for the enforcement of a collective bargaining contract, then the matter is solely cognizable by the Court of Industrial Relations.[11] It is equally true that as of the date the lower court decision was rendered, the question of such enforcement had been held to be for the regular courts to pass upon.[12] Counsel for intervenor Associated Labor Union was precisely the petitioner in one of the decisions of this Court, Seno vs. Mendoza,[13] where such a doctrine was reiterated. In the language of Justice Makalintal, the ponente: "As the issue involved in the instant case, although arising from a labor dispute, does not refer to one affecting an industry which is indispensable to the national interest and certified by the President to the Industrial Court, nor to minimum wage

under the Minimum Wage Law, or to hours of employment under the Eight-Hour Labor Law, nor to an unfair labor practice, but seeks the enforcement of a provision of the collective bargaining agreement, jurisdiction pertains to the ordinary courts and not to the Industrial Court."[14] There was only a half-hearted attempt, if it could be called that, to lend credence to the third error assigned, namely that plaintiff Mactan Workers Union could not file the suit on behalf of its members. That is evident by intervenor Associated Labor Union devoting only half a page in its brief to such an assertion. It is easy to see why it should be thus. On its face, it certainly appeared to be oblivious of how far a labor union can go, or is expected to, in the defense of the rights of its rank and file. There was an element of surprise, considering that such a contention came from a labor organization, which under normal condition should be the last to lay itself open to a charge that it is not averse to denigrating the effectiveness of labor unions.

3. This brings us to one last point. It is quite understandable that labor unions in their campaign for membership, for acquiring ascendancy in any shop, plant, or industry would do what lies in their power to put down competing groups. The struggle is likely to be marked with bitterness, no quarter being given or expected on the part of either side. Nevertheless, it is not to be forgotten that what is entitled to constitutional protection is labor, or more specifically the working men and women, not labor organizations. The latter are merely the instrumentalities through which their welfare may be promoted and fostered. That is the raison d'etre of labor unions. The utmost care should be taken then, lest in displaying an unyielding, intransigent attitude on behalf of their members, injustice be committed against opposing labor organizations. In the final analysis, they alone are not the sole victims, but the labor movement itself, which may well be the recipient of a crippling blow. Moreover, while it is equally understandable that their counsel would take advantage of every legal doctrine deemed applicable or conjure up any defense that could serve their cause, still, as officers of the court, there should be an awareness that resort

> to such a technique does result in clogged dockets, without the least justification especially so if there be insistence on flimsy and insubstantial contentions just to give some semblance of plausibility to their pleadings. Certainly, technical virtuosity, or what passes for it, is no substitute for an earnest and sincere desire to assure that there be justice according to law. That is a creed to which all members of the legal profession, labor lawyers not excluded, should do their best to live by.

WHEREFORE, the Decision of the lower court of February 22, 1968 is affirmed. Costs against Associated Labor Union.

Concepcion, *C.J.*, Reyes, Makalintal, Zaldivar, Castro, Teehankee, Barredo, Makasiar and Antonio, *JJ.*, concur.

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[1] Its President, Tomas Ferrer, was joined as co-plaintiff.
[2] Its President, Ramon Aboitiz, its Treasurer Eddie Lim, its Superintendent, Jesus Diago and Resident Manager, Wilfredo Viray, were joined as co-defendants.
[3] Decision, Record on Appeal, pp. 95-97.
[4] Ibid, pp. 97-98.
[5] Ibid, p. 100.
[6] Cf. Article 1159 and Articles 1700-1702 of the Civil Code. Also Shell Oil Workers Union vs. Shell Company of the Philippines, L-28607, May 31, 1971, 39 SCRA 276.
[7] Cf. Rivera vs. San Miguel Brewery, Inc., L-26197, July 20, 1968, 24 SCRA 86. Citing Leyte Land Transportation vs. Leyte Farmers' and Laborers' Union, 80 Phil. 842 (1948); Land Settlement and Development Corporation vs. Caledonia Pile Workers' Union, 90 Phil. 817 (1952); Price Stabilization Corporation vs. Prisco Workers' Union, 104 Phil. 1066 (1958) and International Oil Factory Workers Union vs. Martinez, 110 Phil. 595 (1960).
[8] L-24993, December 18, 1968, 26 SCRA 435.
[9] Ibid, p. 440.
[10] Section 88 of the Judiciary Act, Republic Act 296 (1948).
[11] Cf. Republic Savings Bank vs. Court of Industrial Relations, L-20303, Sept. 27, 1967, 21 SCRA 226; Security Bank Employees Union vs. Security Bank and Trust Co., L-28536, April 30, 1968, 25 SCRA 503; Alhambra Industries, Inc. vs. Court of Industrial Relations, L-25984, Oct. 30, 1970, 35 SCRA 550.
[12] Cf. Dee Cho Lumber Workers' Union vs. Dee Cho Lumber Co., 101 Phil. 417 (1957); Philippine Sugar Institute vs. Court of Industrial Relations, 106 Phil. 401 (1959); Elizalde Paint and Oil Factory vs. Bautista, 110 Phil. 49 (1960);

National Mines and Allied Workers Union vs. Phil. Iron Mines, Inc., L-19372, Oct. 31, 1964, 12 SCRA 316 and Nasipit Labor Union vs. Court of Industrial Relations, L-17838, Aug. 1966, I7 SCRA 882.

[13] L-20565, Nov. 29, 1967, 21 SCRA 1124.

[14] Ibid, p. 1131.