SUPREME COURT
FIRST DIVISION

PAMBANSANG KAPATIRAN NG MGA ANAK PAWIS SA FORMEY PLASTIC NATIONAL WORKERS BROTHERHOOD,
***Petitioner*,**

-versus-

G.R. No. 111836
February 1, 1996

SECRETARY OF LABOR, SECRETARY BIENVENIDO LAGUESMA, FORMEY PLASTIC,INC., KALIPUNAN NG MANGGAGAWANG PILIPINO (KAMAPI) and MED-ARBITER RASIDALI C. ABDULLAH,
***Respondents*.**
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D E C I S I O N

BELLOSILLO, *J.*:

The rank and file workers of Formey Plastic, Inc. (FORMEY), formed a local union known as Pambansang Kapatiran ng mga Anak Pawis sa Formey Plastic (KAPATIRAN) under the auspices of the National Workers Brotherhood (NWB). They ratified their Constitution and By-Laws on 4 April 1993.

On 22 April 1993 KAPATIRAN filed a Petition for Certification EIection[1] with the Department of Labor and Employment Med-Arbiter Division alleging that there was no existing and effective Collective Bargaining Agreement (CBA) between FORMEY and any union; neither was there any recognized union within the company.

FORMEY moved to dismiss the Petition[2] while Kalipunan ng Manggagawang Pilipino (KAMAPI) intervened and likewise moved to dismiss[3] on the ground that there was already a duly registered CBA covering the period 1 January 1992 to 31 December 1996 hence the "contract bar rule"[4] would apply. KAPATIRAN opposed both motions to dismiss[5] with an Addendum[6] thereto claiming that the CBA executed between FORMEY and KAMAPI was fraudulently registered with the Department of Labor and Employment and that it was defective since what was certified as bargaining agent was KAMAPI which, as a federation, only served as mere agent of the local union hence without any legal personality to sign in behalf of the latter.

Med-Arbiter Rasidali C. Abdullah found that a valid and existing CBA between FORMEY and KAMAPI effectively barred the filing of the petition for certification election.[7]

KAPATIRAN appealed[8] imputing grave abuse of discretion to the Med-Arbiter in applying the "contract bar rule" and in not adopting the case of Progressive Development Corporation vs. Secretary, Department of Labor and Employment,[9] as authority to disregard the CBA between FORMEY and KAMAPI. The Secretary of Labor acting through Undersecretary Bienvenido E. Laguesma upheld the decision of the Med-Arbiter. [10] The Motion for Reconsideration having been denied[11] KAPATIRAN now files this Petition for *Certiorari*[12] charging the Secretary of Labor with grave abuse of discretion in applying the "contract bar rule" literally and in ruling that the Progressive Development Corporation[13] case could not be invoked.

Pending resolution of the petition KAMAPI filed an Urgent Motion to Dismiss[14] the instant petition contending that it had become moot and academic due to the cancellation of NWB's[15] certificate of

registration and its delisting from the roll of labor federations.[16] KAPATIRAN opposed the motion[17] claiming that the cancellation and delisting were not yet final and executory considering that it had filed a Motion for Reconsideration[18] with the Bureau of Labor Relations.

The rule is that findings of facts of quasi-judicial agencies will not be disturbed unless there is a showing of grave abuse of discretion. We find none in the case at bench. We therefore affirm that there is a validly executed collective bargaining agreement between FORMEY and KAMAPI.

Art. 253-A of the Labor Code provides that "(n)o petition questioning the majority status of the incumbent bargaining agent shall be entertained and no certification election shall be conducted by the Department of Labor and Employment outside of the-sixty (60) day period immediately before the date of expiry of such five-year term of the collective bargaining agreement." Sec. 3, Rule V, Book V of the Omnibus Rules Implementing the Labor Code provides that "(i)f a collective bargaining agreement has been duly registered in accordance with Article 231 of the Code, a petition for certification election or a motion for intervention can only be entertained within sixty (60) days prior to the expiry date of such agreement."

The subject agreement was made effective 1 January 1992 and is yet to expire on 31 December 1996. The petition for certification election having been filed on 22 April 1993 it is therefore clear that said petition must fail since it was filed before the so-called 60-day freedom period. KAPATIRAN insists that the CBA was a fake it having been surreptitiously registered with the Department of Labor and Employment.

The resolution of this issue hinges on the determination of factual matters which certainly is not within the ambit of the present petition for certiorari. Besides, the contention is without any legal basis at all; it is purely speculative and bereft of any documentary support. Petitioner itself even admitted the existence of an agreement but argued that its provisions were not being implemented nor adhered to at all. Suffice it to mention that the filing of the petition for certification election is not the panacea to this allegedly anomalous

situation. Violations of collective bargaining agreements constitute unfair labor practice as provided for under Art. 248, par. (i), of the Labor Code. In consonance thereto, Art. 261 equips petitioner with the proper and appropriate recourse —

> Art. 261. The Voluntary Arbitrator or panel of Voluntary Arbitrators shall have original and exclusive jurisdiction to hear and decide all unresolved grievances arising from the interpretation or implementation of the Collective Bargaining Agreement. Accordingly, violations of a Collective Bargaining Agreement, except those which are gross in character, shall no longer be treated as unfair labor practice and shall be resolved under the Collective Bargaining Agreement. For purposes of this article, gross violations of Collective Bargaining Agreement shall mean flagrant and/or malicious refusal to comply with the economic provisions of such agreement.

The CBA entered into between FORMEY and KAMAPI stipulates among others —

> Article IX — GRIEVANCE PROCEDURE
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> Sec. 1. Any complaint, grievance, difficulty, disagreement or dispute arising out of any section taken (sic) by the Company and/or by the Union concerning the interpretation of the terms and conditions of the agreement and/or which may arise regarding (sic) the terms and conditions of employment shall be settled in the manner provided for under this Article.
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> Sec. 2. The Company and the Union agree to create and establish a Grievance Committee composed of two (2) representatives from the Company and two (2) from the Union to receive complaint, grievance or dispute from the workers and/or from the Company with the view to settle it amicably.
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> Sec. 3. In case a complaint or grievance has been filed by either the Union or the Company, the grievance committee shall discuss the same and have (sic) to settle it. If after the meeting of the grievance committee no satisfactory settlement is reached

> the matter shall be referred to the top officers of the Union and the Company for the settlement of the said grievance or dispute.
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> Sec. 4. Within five (5) days from the time the top officers of the Union and the Company has (sic) failed to reach an amicable settlement of the grievance or dispute, the sale shall be submitted for voluntary arbitration. The arbitrator or arbitrators shall be chosen by lottery and the union and the Company shall avail (sic) the list of arbitrators of the honorable Bureau of Labor Relations.
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> Sec. 5. The mutually agreed or chosen arbitrator shall proceed to try and hear the case and for (sic) the reception of evidence and to call witnesses to testify and after the submission of the case by both parties an award or order shall be issued in accordance with the rules and guidelines promulgated by the honorable Department of Labor and Employment based on the pertinent: laws and established jurisprudence. The expenses of the arbitration proceedings shall be borned (sic) equally by the Company and the Union.[19]

By filing the petition for certification election it is clear that KAPATIRAN did not avail of the abovementioned grievance procedure.

It is further argued that the CBA has no binding force since it was entered into by KAMAPI as a federation and not by the local union. Perusal of the agreement proves the signatories for KAMAPI consisted of its national president and of the duly elected officers of the local union. Thus the fact that KAMAPI was particularly mentioned as the bargaining party without specifying the local union cannot strip it of its authority to participate in the bargaining process. The local union maintains its separate personality despite affiliation with a larger national federation.[20]

The doctrine laid down in Progressive Development Corporation[21] is a mere clarification of the principle enunciated in Liberty Cotton Mills Workers Union vs. Liberty Cotton Mills, Inc.[22] Both cases have provided that "the mother union acting for and in behalf of its affiliate ha(s) the status of an agent while the local union remained the basic

unit of the association free to serve the common interest of all its members subject only to the restraints imposed by the Constitution and By-Laws of the association." Nonetheless, the facts and principles laid down in both cases do not jibe squarely with the case at bench. The controversy in Progressive Development Corporation[23] centered on the requirements before a local or chapter of a federation may file a petition for certification election and be certified as the sole and exclusive bargaining agent, while in Liberty Cotton Mills Workers[24] the issue involved was the disaffiliation of the local union from the federation. The question of whether there was a valid and existing CBA, which is the question being resolved in the case at bench, was never raised in the two cited cases since it was already an accepted fact that the CBA was validly executed and existing.

Anent the Urgent Motion to Dismiss[25] filed by KAMAPI on the ground that the instant petition had become moot and academic due to the cancellation by the Bureau of Labor Relations of NWB's certificate of registration and its consequent delisting from the roll of labor federations, suffice it to state that at this juncture we cannot properly rule on the issue considering that KAMAPI has not proven that the decision of the Bureau of Labor Relations has become final and executory taking into account KAPATIRAN's filing of a motion for reconsideration with the Bureau. This notwithstanding, Sec. 9, Rule II, Book V of the Omnibus Rules Implementing the Labor Code requires that an appeal be filed with the Bureau, or in case of cancellation by the Bureau, with the Secretary of Labor and Employment whose decision shall become final and no longer subject of appeal.

WHEREFORE, the petition is **DENIED**. The decision of the Secretary of Labor and Employment dated 15 August 1993 sustaining the order dated 31 May 1993 is **AFFIRMED.**

SO ORDERED.

Padilla, Vitug, Kapunan and Hermosisima, Jr., *JJ.*, concur.

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[1] Docketed as NCR-OD-M-9304-037; Rollo, pp. 26-28.
[2] Rollo, p. 29.

[3] Annex "D;" Id., pp. 30-31.
[4] Art. 253-A of the Labor Code provides: Terms of a collective bargaining agreement. — Any Collective Bargaining Agreement that the parties may enter into shall, insofar as the representation aspect is concerned, be for a term of five (5) years. No petition questioning the majority status of the incumbent bargaining agent shall be entertained and no certification election shall be conducted by the Department of Labor and Employment outside of the sixty-day period immediately before the date of the expiry of such five-year term of the Collective Bargaining Agreement. All other provisions of the Collective Bargaining Agreement shall be renegotiated not later than three (3) years after its execution. Any agreement on such other provisions of the Collective Bargaining Agreement entered into within six (6) months from the date of expiry of the term of such other provisions as fixed in such Collective Bargaining Agreement, shall retroact to the day immediately following such date.
[5] Rollo, pp. 40-41.
[6] Id., pp. 42-45.
[7] The Med-Arbiter also noted petitioner's persistence in pursuing the petition for certification election considering that the same petition previously filed was already dismissed based on contract bar rule.
[8] Rollo, pp. 56-62.
[9] G.R. No. 96425. 4 February 1992, 205 SCRA 802.
[10] Rollo, p. 66.
[11] Id., p. 17.
[12] Id., pp. 2-14.
[13] See note 9.
[14] Rollo, pp. 254-255.
[15] Petitioner's mother union.
[16] As decreed by Benedicto Ernesto R. Bitonio Jr., Director of the Bureau of Labor Relations in BLR Case No. A-5-19-94 (NCR- OD-M9306-035) In re: Milagros Lim, doing business under the name and style Anscon Commercial vs. UNLAD-National Workers Brotherhood (NWB) and Leoncio (Leo) Garcia; Rollo, pp. 256-261.
[17] Rollo, pp. 264-266.
[18] Id., pp. 268-274.
[19] Annex "D-2;" Rollo, pp. 33-36.
[20] St . Luke ' s Medical Center, Inc . vs. Torres, G. R. No . 99395. 29 June 1993, 223 SCRA 791, 792.
[21] See note 9.
[22] No. L-33987, 4 September 1975, 66 SCRA 519, citing Harker et al. vs. McKissock et al., 81 Atl. Rep. 2d 482.
[23] See note 9.
[24] Supra, see note 22.
[25] Rollo, pp. 254-255.