SUPREME COURT
FIRST DIVISION

ROYAL UNDERGARMENT CORPORATION OF THE PHILIPPINES,
***Petitioner*,**

-versus-

G.R. No. 39040
June 6, 1990

COURT OF INDUSTRIAL RELATIONS, ROYAL UNDERGARMENT WORKERS UNION (PTGWO) and ANTONIO CRUZ,
***Respondents*.**
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D E C I S I O N

MEDIALDEA, *J.*:

This is a Petition for Review on *Certiorari* seeking the reversal of the Decision rendered by the defunct Court of Industrial Relations on January 21, 1974 adjudging the petitioner corporation guilty of unfair labor practice and ordering the reinstatement of and payment of backwages to respondent Antonio Cruz.

The antecedent facts as found by the industrial court are as follows:

Respondent Antonio Cruz was employed by petitioner corporation in 1957 as an electrician. Sometime in December, 1961, he was elected

president of the Royal Undergarment Workers Union (RUWU for brevity), a legitimate labor organization which became affiliated with the Philippine Transport and General Workers Organization (PTGWO for brevity).

On December 14, 1961, the RUWU-PTGWO, represented by the National Secretary of PTGWO and respondent Cruz as RUWU President, sent proposals to petitioner corporation for the purpose of collective bargaining.

On the following day, December 15, 1961, petitioner corporation, thru its personnel manager, terminated the services of respondent Cruz allegedly on the basis of the latter's "record and after careful analysis and deliberation." Respondent's wife, Felicidad Cruz, who was also an employee of petitioner, was likewise terminated. Thus, RUWU called a strike sometime during the first week of January, 1962.

On January 10, 1962, RUWU-PTGWO and petitioner corporation entered into a Return-to-Work Agreement thru the conciliation efforts of the Department of Labor. The agreement contained the following provision:

"x x x

> "Regarding the two (2) employees, Mr. Antonio Cruz and Mrs. Cruz, the union entrusts the settlement of its complaint for decision to the Management, which shall be reinstatement for both employees when the Royal Undergarment Workers Union-PTGWO shall have been chosen as the collective bargaining agent for the workers at the consent election to be held in the company premises;

x x x" (pp. 39-40, Rollo).

The records do not disclose the results of the consent election. Subsequently however, respondent Cruz and his wife were both re-employed and reinstated by petitioner corporation, thereby indicating the victory of RUWU-PTGWO in the consent election.

On March 31, 1962, RUWU-PTGWO and petitioner corporation entered into a collective bargaining agreement which contained a grievance procedure for the settlement of disputes. Such grievance procedure was applied on several occasions involving suspensions of union members-employees through the help and active participation of respondent Cruz as union president.

Sometime in November, 1962, the PTGWO urged its member-unions to stage a nationwide strike. Thus, respondent Cruz campaigned among the members of RUWU to join the strike.

On November 28, 1962 at around 11:00 p.m., within the company premises, respondent Cruz approached three co-employees who are supervisors of the company, namely, Camaguin, Dayadante and Gaspar. These persons contended that respondent Cruz, who was under the influence of liquor, uttered the following remarks to them: "Ikaw, Ikaw, Ikaw — mga hayop kayo. Bibigyan ko kayo ng isang linggong taning sa buhay ninyo ipapapatay ko kayo." They also claim that respondent Cruz had challenged another co-employee. Respondent and his witnesses denied this charge and claimed that what the respondent actually said to the three employees was: "Ikaw, Ikaw, Ikaw pare, alam kong matitigas kayo rito sa compania, kaya't ako'y nakikiusap, kung maaari pag-natuloy ang nationwide strike bukas, makiisa kayo at gamitin ang tigas ninyo." Immediately thereafter, the three employees went to the personnel officer of petitioner corporation. On November 29, 1962, they executed an affidavit regarding the incident.

The following day, on November 30, 1962, the general manager of petitioner corporation placed respondent Cruz on preventive suspension effective December 3, 1962 for threatening "the lives of four (4) employees and for having "been reported under the influence of liquor," both acts being "contrary to rules and regulations."

Upon the request of respondent Cruz and PTGWO, the petitioner corporation conducted a conference which was in the nature of an investigation of the incident.

On December 13, 1962, petitioner corporation dismissed respondent Cruz for being under the influence of liquor on November 28, 1962 and for having threatened the lives of four of his co-employees.

Respondent Cruz filed a complaint for unfair labor practice against petitioner corporation with the Court of Industrial Relations. On January 21, 1974, the respondent industrial court, while affirming the findings of the hearing examiner, rendered a decision, the dispositive portion of which, reads as follows:

> "WHEREFORE, respondent is hereby declared guilty of unfair labor practice and is ordered to cease and desist from further committing the same. Respondent is further directed to reinstate complainant Antonio Cruz to his former or equivalent position without loss of seniority and other privileges and to pay him backwages including all benefits attached to his position, from the date he was dismissed up to November 17, 1969.
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> "SO ORDERED." (pp. 43-44, Rollo).

Hence, this petition for review on certiorari with the petitioner assigning the following errors:

> "I
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> RESPONDENT CIR COMMITTED A GRAVE MISAPPREHENSION OF FACT IN HOLDING IN ITS DECISION THAT IT WAS RESPONDENT CRUZ' UNION ACTIVITIES WHICH CAUSED HIS DISMISSAL BY PETITIONER.
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> "II
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> RESPONDENT CIR LIKEWISE COMMITTED A GRAVE MISAPPREHENSION OF FACT IN NOT HOLDING IN ITS DECISION THAT THE DISMISSAL OF RESPONDENT CRUZ WAS FOR CAUSE AS PROVIDED FOR IN THE TERMINATION PAY LAW AND IN ACCORDANCE WITH MANAGEMENT PREROGATIVE.

"III

ASSUMING ARGUENDO THAT PETITIONER IS GUILTY OF UNFAIR LABOR PRACTICE, RESPONDENT CIR ERRED IN AWARDING RESPONDENT CRUZ FULL BACKWAGES WITHOUT DEDUCTING THEREFROM THE INCOME HE EARNED DURING SAID PERIOD." (pp. 9-10, Rollo).

Anent the first and second assigned errors, petitioner submits that the records of the case, particularly the testimonies of respondent Cruz himself and his witnesses, show that petitioner corporation did not interfere with or prevent the union activities of its employees; that the former has even allowed or abetted active unionism within the company; that the dismissal of respondent Cruz was not impelled by reason of union participation of respondent Cruz but solely by his infraction of company rules and regulations, specifically, serious threats against the lives of three co-employees, challenging another to a fight and intoxication while on duty, all of which clearly amounted to a dismissal for cause under the Termination Pay Law, Rep. Act No. 1052, as amended.

On the other hand, the Court of Industrial Relations found from the surrounding circumstances of the case, a valid and sufficient basis for the charge of unfair labor practice against petitioner company. Said the respondent court:

"There is no question as to the union activities of the complainant. Starting from the time he was elected president of the RUWU, he had engaged himself actively in union affairs. He had in behalf of others pursued assiduously the employee relationships of the membership. And on a higher plane, he urged the members to join the nation-wide strike being planned by the PTGWO.

"On the part of respondent there appears to be an attitude of antipathy towards the complainant. Going back to the time, when the RUWU sent collective bargaining proposals represented then by the complainant, the latter and his wife were dismissed one day after the same was received by respondent company. The record does not show the specific

reasons or bases for this action except the general proposition that this (complainant's) record was supposedly carefully analyzed. And yet, why include his wife in the dismissal? In the Return-to-Work Agreement of January, 1962 which followed, a peculiar and strange arrangement was made. The reinstatement of complainant and his wife was made to depend on a contingency the victory of RUWU in the consent election. The main consideration therefore of complainant's reinstatement, as well as that of his wife, is, he gets back to work if his union wins; he stays out, if his union loses. Should one's employment be made to depend on his union affiliation or identity? This aspect only projects the animosity harbored by the respondent against the complainant.

"Then, in the space of eleven months, complainant once again was dismissed from respondents' employ, e.g. in December of the same year he was reinstated. Respondents based its dismissal of complainant on the ground that he was obviously under the influence of liquor and he threatened the lives of four co-employees. The evidence of being `obviously under the influence of liquor' is based on the supposed observation of the three witnesses whose lives were allegedly threatened, coming as it is from a biased source. None of these witnesses have ever supplied, much less hinted on the motivation why complainant threatened their lives. On the contrary, they claimed that they were on friendly terms with the complainant with no previous background of misunderstanding between them. None of them ever filed criminal charges against the complainant for the supposed threat on their lives indicating that whatever has transpired is not as serious as pictured by the respondent. The incident was simply blown into such proportion so as to provide a supposed valid cause for complainant's dismissal. In the light of the initial attitude of respondent earlier discussed, the inducing cause directly contributing to complainant's dismissal is the respondent's antipathy to complainant's union activity and not his misconduct." (pp. 42-43, Rollo)

We accord respect to the findings of the industrial court. Section 3 of Republic Act No. 875, known as the Industrial Peace Act, as amended, provides that employees shall have the right to self-organization and

to form, join or assist labor organizations of their own choosing for the purpose of collective bargaining through representatives of their own choosing and to engage in concerted activities for the purpose of collective bargaining and other mutual aid or protection. Hence, it shall be unfair labor practice for an employer to discriminate in regard to tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization (Section 4 (a) (4), R.A. No. 875).

We have perused the record and found that the totality of evidence as found by respondent court supports the conclusion that respondent Cruz has been unjustly dismissed by reason of his union activities. The charge by petitioner against respondent Cruz for being under the influence of liquor on a certain date and for having threatened the lives of his co-employees is too flimsy to merit serious consideration. We have on record the undisputed facts that private respondent, as president of RUWU, was known for his aggressive and militant union activities; that he and his wife had been previously dismissed on the ground of active participation in union affairs; that they were re employed only pursuant to the express terms of the Return-to-Work Agreement executed by petitioner corporation and RUWU when the latter won in the consent election; that respondent Cruz was dismissed again for the second time in the course of his campaign among RUWU members to join the nationwide strike of PTGWO in which RUWU is a member union.

It has previously been indicated that an employer may treat freely with an employee and is not obliged to support his actions with a reason or purpose. However, where the attendant circumstances, the history of the employer's past conduct and like considerations, coupled with an intimate connection between the employer's action and the union affiliations or activities of the particular employee or employees taken as a whole raise a suspicion as to the motivation for the employer's action, the failure of the employer to ascribe a valid reason therefor may justify an inference that his unexplained conduct in respect of the particular employee or employees was inspired by the latter's union membership or activities (Rothenbergon Labor Relations, pp. 401-402, cited in San Miguel Brewery, Inc., et al. vs. Santos, et al., No. L-12682, August 31, 1961, 2 SCRA 1081).

Further, factual findings of the Court of Industrial Relations are conclusive in the absence of a showing that the same have no support in the evidence on record. This Court will not review said court's factual findings as long as the same are supported by evidence. This is so because the industrial court is governed by the rule of substantial evidence rather than by the rule of preponderance of evidence as in ordinary civil cases (Sanchez vs. Court of Industrial Relations, L-19000, July 31, 1963, 8 SCRA 654; Industrial Commercial Agricultural Workers Organization vs. Bautista, L-15639, April 30, 1963, 7 SCRA 907).

Anent the third assigned error, it is the judicial trend to fix a reasonable period for the payment of backwages to avoid protracted delay in post judgment hearings to prove earnings of the worker elsewhere during the period that he had not been reinstated to his employment. In consonance with the rulings in many cases, and in view of the circumstances and equity of the instant case, respondent Cruz should be reinstated and granted backwages corresponding to a period of three (3) years from the time he was dismissed on December 13, 1962, without deduction for his earnings elsewhere during his lay-off and without qualification of his backwages as thus fixed, that is, unqualified by any wage increases (Bachrach Motor Co., Inc. vs. Court of Industrial Relations, L-26136, October 30, 1978, 86 SCRA 27; L.R. Aguinaldo & Co., Inc. vs. Court of Industrial Relations, No. L-31909, April 5, 1978, 82 SCRA 309; Davao Free Workers Front vs. Court of Industrial Relations, L-29356, October 27, 1975, 67 SCRA 418).

ACCORDINGLY, the petition is hereby **DENIED** and the decision of the Court of Industrial Relations dated January 21, 1974 is **AFFIRMED** with **MODIFICATION** that petitioner is directed to reinstate respondent Antonio Cruz without loss of seniority rights and with backwages for three (3) years from the time of dismissal, without deduction and qualification. If reinstatement is no longer possible, respondent Antonio Cruz should be awarded separation pay of one (1) month for every year of service. With costs against petitioner.

SO ORDERED.

Narvasa, Cruz and Gancayco, *JJ.*, concur.

Griño-Aquino, *J.*, is on leave.
