SUPREME COURT
SECOND DIVISION

SAN MIGUEL CORPORATION,
***Petitioner*,**

-versus-

G.R. No. 100485
September 21, 1994

THE HONORABLE BIENVENIDO E. LAGUESMA and NORTH LUZON MAGNOLIA SALES LABOR UNION-INDEPENDENT,
***Respondents*.**
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D E C I S I O N

PUNO, *J.*:

Petitioner San Miguel Corporation (SMC) prays that the Resolution dated March 19, 1991 and the Order dated April 12, 1991 of public respondent Undersecretary Bienvenido E. Laguesma declaring respondent union as the sole and exclusive bargaining agent of all the Magnolia sales personnel in northern Luzon be set aside for having been issued in excess of jurisdiction and/or with grave abuse of discretion.

On June 4, 1990, the North Luzon Magnolia Sales Labor Union (respondent union for brevity) filed with the Department of Labor a

petition for certification election among all the regular sales personnel of Magnolia Dairy Products in the North Luzon Sales Area.[1]

Petitioner opposed the petition and questioned the appropriateness of the bargaining unit sought to be represented by respondent union. It claimed that its bargaining history in its sales offices, plants and warehouses is to have a separate bargaining unit for sales office.

The petition was heard on November 9, 1990 with petitioner being represented by Atty. Alvin C. Batalla of the Siguion Reyna law office. Atty. Batalla withdrew petitioner's opposition to a certification election and agreed to consider all the sales offices in northern Luzon as one bargaining unit. At the pre-election conference, the parties agreed, inter alia, on the date, time and place of the consent election. Respondent union won the election held on November 24, 1990. In an Order dated December 3, 1990,[2] Mediator-Arbiter Benalfre J. Galang certified respondent union as the sole and exclusive bargaining agent for all the regular sales personnel in all the sales offices of Magnolia Dairy Products in the North Luzon Sales Area.

Petitioner appealed to the Secretary of Labor. It claimed that Atty. Batalla was only authorized to agree to the holding of certification elections subject to the following conditions: (1) there would only be one general election; (2) in this general election, the individual sales offices shall still comprise separate bargaining units.[3]

In a Resolution dated March 19, 1991,[4] public respondent, by authority of the Secretary of Labor, denied SMC's appeal and affirmed the Order of the Med-Arbiter.

Hence this petition for certiorari.

Petitioner claims that:

> THE HONORABLE UNDERSECRETARY LAGUESMA ACTED WITH GRAVE ABUSE OF DISCRETION WHEN HE IGNORED AND TOTALLY DISREGARDED PETITIONER'S VALID AND JUSTIFIABLE GROUNDS WHY THE ERROR MADE IN GOOD

FAITH BY PETITIONER'S COUNSEL BE CORRECTED, AND INSTEAD RULED:

A

THAT PRIVATE RESPONDENT IS "THE SOLE AND EXCLUSIVE BARGAINING AGENT FOR ALL THE REGULAR SALES OFFICES OF MAGNOLIA DAIRY PRODUCTS, NORTH LUZON SALES AREA", COMPLETELY IGNORING THE ESTABLISHED BARGAINING HISTORY OF PETITIONER SMC.

B

THAT PETITIONER IS ESTOPPED FROM QUESTIONING THE "AGREEMENT" ENTERED INTO AT THE HEARING ON 9 NOVEMBER 1990, IN CONTRAVENTION OF THE ESTABLISHED FACTS OF THE CASE AND THE APPLICABLE LAW ON THE MATTER.

We find no merit in the petition.

The issues for resolution are: (1) whether or not respondent union represents an appropriate bargaining unit, and (2) whether or not petitioner is bound by its lawyer's act of agreeing to consider the sales personnel in the north Luzon sales area as one bargaining unit.

Petitioner claims that in issuing the impugned Orders, public respondent disregarded its collective bargaining history which is to have a separate bargaining unit for each sales office. It insists that its prior collective bargaining history is the most persuasive criterion in determining the appropriateness of the collective bargaining unit.

There is no merit in the contention.

A bargaining unit is a "group of employees of a given employer, comprised of all or less than all of the entire body of employees, consistent with equity to the employer, indicate to be the best suited

to serve the reciprocal rights and duties of the parties under the collective bargaining provisions of the law."[5]

The fundamental factors in determining the appropriate collective bargaining unit are: (1) the will of the employees (Globe Doctrine);[6] (2) affinity and unity of the employees' interest, such as substantial similarity of work and duties, or similarity of compensation and working conditions (Substantial Mutual Interests Rule); (3) prior collective bargaining history; and (4) similarity of employment status.[7]

Contrary to petitioner's assertion, this Court has categorically ruled that the existence of a prior collective bargaining history is neither decisive nor conclusive in the determination of what constitutes an appropriate bargaining unit.[8]

Indeed, the test of grouping is mutuality or commonality of interests. The employees sought to be represented by the collective bargaining agent must have substantial mutual interests in terms of employment and working conditions as evinced by the type of work they perform.

In the case at bench, respondent union sought to represent the sales personnel in the various Magnolia sales offices in northern Luzon. There is similarity of employment status for only the regular sales personnel in the north Luzon area are covered. They have the same duties and responsibilities and substantially similar compensation and working conditions. The commonality of interest among the sales personnel in the north Luzon sales area cannot be gainsaid. In fact, in the certification election held on November 24, 1990, the employees concerned accepted respondent union as their exclusive bargaining agent. Clearly, they have expressed their desire to be one.

Petitioner cannot insist that each of the sales office of Magnolia should constitute only one bargaining unit. What greatly militates against this position is the meager number of sales personnel in each of the Magnolia sales office in northern Luzon. Even the bargaining unit sought to be represented by respondent union in the entire north Luzon sales area consists only of approximately fifty-five (55) employees.[9] Surely, it would not be for the best interest of these employees if they would further be fractionalized. The adage "there is

strength in number" is the very rationale underlying the formation of a labor union.

Anent the second issue, petitioner claims that Atty. Batalla was merely a substitute lawyer for Atty. Christine Ona, who got stranded in Legaspi City. Atty. Batalla was allegedly unfamiliar with the collective bargaining history of its establishment. Petitioner claims it should not be bound by the mistake committed by its substitute lawyer.

We are not persuaded. As discussed earlier, the collective bargaining history of a company is not decisive of what should comprise the collective bargaining unit. Insofar as the alleged "mistake" of the substitute lawyer is concerned, we find that this mistake was the direct result of the negligence of petitioner's lawyers. It will be noted that Atty. Ona was under the supervision of two (2) other lawyers, Attys. Jacinto de la Rosa, Jr. and George C. Nograles. There is nothing in the records to show that these two (2) counsels were likewise unavailable at that time. Instead of deferring the hearing, petitioner's counsels chose to proceed therewith. Indeed, prudence dictates that, in such case, the lawyers allegedly actively involved in SMC's labor case should have adequately and sufficiently briefed the substitute lawyer with respect to the matters involved in the case and the specific limits of his authority. Unfortunately, this was not done in this case. The negligence of its lawyers binds petitioner. As held by this Court in the case of Villa Rhecar Bus vs. De la Cruz:[10]

> "As a general rule, a client is bound to the mistakes of his counsel. Only when the application of the general rule would result in serious injustice should an exception thereto be called for."

In the case at bench, petitioner insists that each of the sales offices in northern Luzon should be considered as a separate bargaining unit for negotiations would be more expeditious. Petitioner obviously chooses to follow the path of least resistance. It is not, however, the convenience of the employer that constitutes the determinative factor in forming an appropriate bargaining unit. Equally, if not more important, is the interest of the employees. In choosing and crafting an appropriate bargaining unit, extreme care should be taken to

prevent an employer from having any undue advantage over the employees' bargaining representative. Our workers are weak enough and it is not our social policy to further debilitate their bargaining representative.

In sum, we find that no arbitrariness or grave abuse of discretion can be attributed to public respondent's certification of respondent union as the sole and exclusive bargaining agent of all the regular Magnolia sales personnel of the north Luzon sales area.

WHEREFORE, premises considered, the challenged Resolution and Order of public respondent are hereby **AFFIRMED** in toto, there being no showing of grave abuse of discretion or lack of jurisdiction.

SO ORDERED.

Narvasa, *C.J.*, Regalado and Mendoza, *JJ.*, concur.
Padilla, *J.*, took no part.

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[1] The Magnolia North Luzon Sales Area covers San Fernando, Pampanga, Cabanatuan City, Olongapo City, Poro Point, La Union, Baguio City, Dagupan City, Laoag City and Ilagan, Isabela.
[2] Annex "K," Petition, Rollo, pp. 94-97.
[3] See Appeal, Annex "L," Petition, Rollo, pp. 98-103, at p. 101.
[4] Annex "A," Petition, Rollo, pp. 30-36.
[5] U.P. vs. Ferrer-Calleja, G.R. No. 96189, July 14, 1992, 211 SCRA 451; Belyca Corporation vs. Ferrer-Calleja, G.R. No. L-77395, November 29, 1988, 168 SCRA 184; both cases citing Rothenberg on Labor Relations, at p. 482.
[6] Mechanical Department Labor Union Sa Philippine National Railways vs. Court of Industrial Relations, No. L-28223, August 30, 1968, 24 SCRA 925.
[7] Rothenberg on Labor Relations, pp. 482-510.
[8] Free Trade Unions vs. Mainit Lumber Development Company Workers Union, G.R. No. 79526, December 21, 1990, 192 SCRA 598.
[9] See Petition for Certification Election, Annex "C," Petition, Rollo, at p. 39.
[10] No. L-78936, January 7, 1988, 157 SCRA 13.