SUPREME COURT
FIRST DIVISION

SINGAPORE AIRLINES LOCAL EMPLOYEES ASSOCIATION, and CECILIA MATRIANO,
***Petitioners*,**

-versus-

G.R. No. L-65786
July 16, 1984

NATIONAL LABOR RELATIONS COMMISSION and SINGAPORE AIRLINES LIMITED,
***Respondents*.**
x----------x

D E C I S I O N

GUTIERREZ, JR., *J.*:

This is a Petition for *Certiorari* to Review the Decision of respondent National Labor Relations Commission (NLRC) dated March 31, 1982, dismissing the petitioner's appeal and affirming in toto the Labor Arbiter's decision to wit:

x x x

> "Suffice it for us to state that the only provision in the CBA granting maternity benefits is Article X of the said CBA. And it

only grants maternity leave benefits of 45 days. Really, if the intention of the parties is for the company to undertake the expenses incurred by way of caesarian or even natural child birth, they could have easily provided it so in Article X of the CBA. Complainants are aware or should have been aware of this claimed benefit from the CBA since they are participants to the contract. Yet, they did not do anything about it during the negotiation and conclusion of the CBA. For us therefore to interpret the provision of Article X beyond its simple and precise meaning would certainly be sheer abuse of discretion on our part."

Singapore Airlines Limited is a foreign corporation duly licensed to engage in the business of common carrier in the Philippines.

Petitioner, Cecilia E. Matriano, on the other hand, is employed by Singapore Airlines Limited (hereinafter referred to as SIA) as a telephone operator/receptionist.

On July 25, 1981, a Collective Bargaining Agreement (CBA) was concluded between the complainant Singapore Airlines Local Employees-NTUAI-TRANSPIL-TUPAS (of which petitioner Matriano is a member) and respondent Singapore Airlines Limited. The CBA provides among other things:

"ARTICLE XI — Hospitalization, Medical Care Benefits.

"Section 1. The COMPANY will meet expenses up to P9,000.00 per calendar year for ward charges and surgical fees in respect of each employee except as provided in Section 3.

x x x

"Section 3. The company shall not bear any expenses arising from any of the following:

"(a) illness or disablement arising from attempted suicide the performance of any unlawful act, exposure to any unjustifiable hazards except when endeavoring to save human life, provoked assault, the use of drugs

other than those prescribed by the COMPANY's doctors or other duly qualified and registered medical practitioner or any breach of the peace or disorderly conduct;

"(b) where hospitalization is necessary as a result of misconduct or negligence on the part of the employee."

In June 1981, petitioner Matriano underwent a caesarian operation for which expenses were incurred amounting to P6,393.70 representing hospital, medical, and surgical fees. Thereafter, Matriano filed a claim with SIA for reimbursement of said expenses pursuant to Article XI of the CBA aforequoted. Respondent SIA refused, contending that Matriano is not entitled to hospitalization and medical benefits under Article XI as its liability in maternity cases is limited to the maternity leave benefit provided in Article X of the CBA, which provides:

"ARTICLE X — Maternity Leave Benefits

"The COMPANY will grant maternity leave benefits of forty-five (45) days pursuant to PD 1202."

x x x

It is further contended that Article XI which, except for the amount of benefit, has been lifted from Paragraph 13 of the "Conditions for Employment for Locally Engaged Staff in the Philippines" which was adopted in toto, should receive the same interpretation as the latter, traditionally understood to exclude maternity cases, the benefits for the same being specifically provided for under Article X of the CBA in question.

On the other hand, petitioners are of the considered view that the liability of SIA regarding maternity leaves, under Article X, is separate and distinct from the hospitalization benefits provided under Article XI. As expressly agreed upon in Article XVIII of the CBA, "Each article in this agreement is separate and independent from the others and not to be construed as having to have restrictive effect upon the

meaning of the other." (page 30 of the CBA). They also contend that maternity cases, more specifically caesarian operations are not among those mentioned as exceptions to Article X or these would have been so provided, if such was the intent.

Hence, upon SIA's refusal to grant the complainant's claim, the Singapore Airlines Employees' Association, in behalf of individual complainant Matriano, charged SIA before Labor Arbiter Sofronio Ona with unfair labor practice for violation of the CBA.

The Labor Arbiter dismissed the case, stating that pregnancy cannot be considered as sickness per se to entitle an employee to the hospitalization benefits under Article XI of the CBA.

On appeal, the NLRC sustained the Labor Arbiter's decision, finding no basis for the charge of unfair labor practice. Hence, this petition.

Two main issues are to be resolved, to wit:

(a) Whether or not under the CBA petitioner Matriano is entitled to reimbursement of her hospitalization expenses as a result of her caesarian operation; and

(b) Whether or not respondents are guilty of unfair labor practice.

We find no difficulty in disposing of the matter at hand. The provisions of the CBA in question are clear and from them we gather the intent of the contracting parties.

The very title of Article XI alone provides us with an answer to the first issue raised. Borrowing a principle of statutory construction, it is well-established that titles given to sections of an act or contract are often resorted to for the purpose of determining the scope of the provisions and their relation to other portions of the act (Francisco, Statutory Construction, Second Edition, pp. 186-187). In very general terms, Section I, Article XI provides hospitalization and medical care benefits. From the language of the Article in question, no qualification as to cause of confinement or need of medical care is made. The contention that pregnancy or childbirth is not sickness per

se so as to be reimbursable under the CBA is untenable. Article XI neither states nor implies that its provisions apply only to sickness. In fact, it speaks of "illness or disablement", for one may be hospitalized not only for treatment of disease but also for injury, disability or incapacity.

The disputed CBA provision states that the "Company will meet expenses up to P9,000 per calendar year for ward expenses and surgical fees in respect of each employee . . ." Undoubtedly, the hospitalization expenses of petitioner for her caesarian operation are covered by the very wordings of the provision, as it involves surgery. To adopt respondent's strained interpretation would be to create an absurd situation whereby an employee may no longer avail of the benefits under Article XI when one is on vacation, sick, or compassionate leave, which are also separated granted in the same way that maternity leave benefits are provided as distinct privileges. Such a construction would, of course, be absurd, and yet the respondents would apply it to another form of leave. Reasonable and practical interpretation must be placed on contractual provisions. Interpretatio fienda est ut res magis valeat quam pereat. Such interpretation is to be adopted, that the thing may continue to have efficacy rather than fail. (Martin vs. Sheppard, 102 S Co. 2nd p. 1036; Adamonski vs. Bord, AC Pa. 193F 2d p. 578; Shimonek vs. Tillanan 1 P. 2d 154; Almeda vs. Florentino, G.R. No. L-23800, Dec. 21, 1965).

Sick leave, maternity leave, and vacation leave benefits are intended to be replacements for regular income which otherwise would not be earned because an employee is not working during the period of said leaves. If an employee is on leave for 100 days, he gets his salary for 100 days without having to work during those days. There is absolutely no connection between the expenditures for sickness, childbirth, or vacation trips and the amount of sick leave, maternity leave, or vacation leave benefits. Thus, if a company grants sick leave or full pay during the period when an employee is sick and at the same time grants hospital or medical expenses incurred as a result of the sickness, there is no incongruity or conflict between the two types of privileges — one is sick leave while the other is medical benefits. In the same manner, there is no conflict between maternity leave benefits which are nothing else but full salaries for 45 days in this

case and the hospitalization and surgical benefits for expenses incurred during the same period for hospitalization and surgery.

By analogy, qualified workers in the private sector are given sickness benefits under the Social Security Act, as amended, as well as medicare benefits under the Medicare provisions of the Labor Code. Sickness benefits are intended to replace, even if only partially, lost income during the period of sickness while medicare benefits partially defray the cost of hospitalization and surgical care. One benefit does not exclude the other.

The above conclusion is bolstered by the fact that under the CBA in this case, exceptions are specifically provided. The disputed contingency of surgery and hospitalization does not come under the exceptions provided by Section 3 of Article XI which enumerates specific instances to wit: "illness and disablement" arising from illegal, immoral, wrongful, negligent, aggressive, or similar acts. None of these specify nor even remotely imply pregnancy or childbirth. Had it been their purpose to exclude, then SIA should have expressly excluded the two as it did in the CBA with its employees in Singapore. Not being so excepted, hospital and medical care benefits due to pregnancy or childbirth are reimbursable under the general rule set by Article XI. Expressio unius est exclusio alterius (In re Estate of Enriquez, 29 Phil. 167; Gomez vs. Ventura, 54 Phil. 726; Managat et al. vs. Aquino, et al, 92 Phil. 1025). Anything that is not included in an enumeration is excluded therefrom, and a meaning that does not appear nor is intended or reflected in the very language of the statute cannot be placed therein.

Moreover, we cannot restrict the application of Article XI by correlating it with another separate and independent Article on Maternity Leave. The parties have provided for a separability clause under Article XVIII of the CBA. They agreed that one article of the CBA cannot have a restrictive effect upon the meaning of another article.

Respondents also advance the argument that since the CBA in question was lifted, almost verbatim, from the "Conditions of Employment for Locally Engaged Staff in the Philippines", it should likewise be interpreted as excluding maternity hospitalization and

medical care benefits. We do not agree. Petitioner's reasons are well taken and we quote:

> "We beg to disagree. Firstly, Article XI provided for non-hospitalization medical care and dental benefits (Sections 4 and 5) which were not in the 'Conditions of Employment'. Secondly, since the said policy was unilaterally promulgated by SIA, its implementation was solely within the prerogative of SIA and the employees could not do anything even if SIA did not fully implement it by refusing to extend hospitalization and medical care benefits to its employees who were hospitalized because of childbirth. However, once the policy was incorporated in a collective bargaining agreement, the employees thru their Union have as much right as the Company in its proper implementation."

As a bilateral act and a result of long deliberation and dialogue between the parties, the CBA is law between the parties (Kapisanan ng mga Manggagawa sa La Suerte-FOITAF vs. Noriel, 77 SCRA 414; Batangas-Laguna Tayabas Bus Company vs. Court of Appeals, 71 SCRA 470; Philippine Apparel Workers' Union vs. NLRC, 106 SCRA 444). Having the force of law between the parties, obligations arising therefrom should be complied with in good faith (De Cortes vs. Venturanza, 79 SCRA 709).

Parenthetically, the Solicitor General, as counsel for the public respondent agrees that this petition is impressed with merit and states:

> "Whether child birth is an illness or not is immaterial. Article XI of the CBA does not make a distinction. The only exceptions where hospitalization benefits may not be availed of are those enumerated in Section 3 of the same Article XI, relating to attempted suicide, use of drugs and those arising from employees misconduct. Child birth not being one of the excepted causes, it is therefore, included in its coverage."

x x x

> "Finally, to exclude hospitalization expenses for child delivery from the coverage of the said CBA provision would be a strained application that favors the employer, negates the labor protection clause in the Constitution and runs counter to the pronouncement of this Honorable Court that the construction of labor legislation and labor contracts should be in favor of safety and decent living of the laborer (PALEA vs. PAL, 70 SCRA 214; Insular Lumber Co. vs. C.A., 80 SCRA 28; Phil. Apparel Workers' Union vs. NLRC, 106 SCRA 444)."

Despite a finding of petitioner's entitlement to her claim for reimbursement, we are not prepared to pronounce respondent SIA guilty of unfair labor practice. SIA's refusal to grant benefits was not a willful evasion of its obligations under the CBA but was due to an honest mistake in the belief that the same is not covered by the aforementioned CBA provision. An error in interpretation without malice or bad faith does not constitute unfair labor practice. We take judicial notice of the fact that honest differences in construction may arise in the actual application of contractual provisions.

WHEREFORE, the decision of the respondent Commission is hereby **MODIFIED**. The petition is granted insofar as petitioners' claim for reimbursement is concerned. Private respondent Singapore Airlines Limited is ordered to refund petitioner Cecilia Matriano the amount of SIX THOUSAND THREE HUNDRED NINETY THREE PESOS and SEVENTY CENTAVOS (P6,393.70) representing hospital, medical and surgical expenses which the latter had incurred during her pregnancy and childbirth. The respondent Commission's finding that no unfair labor practice was committed is **AFFIRMED.**

SO ORDERED.

Teehankee, Plana, Relova and De la Fuente, *JJ.*, concur.
Melencio-Herrera, *J.*, is on official leave.