SUPREME COURT
EN BANC

STA. CECILIA SAWMILLS, INC.,
***Petitioner*,**

-versus-

G.R. Nos. L-19273-74
February 29, 1964

COURT OF INDUSTRIAL RELATIONS and TAGKAWAYAN LABOR UNION,
***Respondents*.**
x----------x

D E C I S I O N

LABRADOR, *J.*:

In a complaint dated August 28, 1957 the Chief Prosecutor of the Court of Industrial Relations charged the petitioner herein, the Sta. Cecilia Sawmills, Inc., and the National Labor Union, with unfair labor practice, for having committed the following acts: (1) trying to persuade the members of the respondent Tagkawayan Labor Union to join the National Labor Union; (2) threatening them with discharge if they become or remain members of the Tagkawayan Labor Union; (3) discharging many members for having affiliated with the Tagkawayan Labor Union; (4) refusing to bargain with respondent labor union on wages, transportation facilities, hours of work, etc., etc.

On February 25, 1958 petitioner Sta. Cecilia Sawmills, Inc. answered the complaint (1) denying the charge that it had tried to persuade the respondent laborers to join the National Labor Union, and alleging that on March 1, 1954 it entered into a bargaining agreement with the National Labor Union and thereupon informed the laborers of its said agreement and the closed-shop provision thereof; (2) that the laborers said to have been dismissed or separated were either separated because of seasonal lay-off, temporary lay-off due to business reverses, operation of closed-shop agreement, or because they were merely independent contractors, etc.

The Court of Industrial Relations after trial found that the respondent union early in March, 1954 had been making demands of different kinds, such as better working conditions, abolition of vales or chips, and refund of percentage deductions, free transportation facilities from poblacion to logging area, non-compulsion in purchases of tickets for popularity contests, etc. The petitioner company answered these demands on March 19 alleging that it had entered into a collective bargaining agreement with the National Labor Union. So the court held that the company entered into an agreement with the National Labor Union to silence the demands of respondent union members. It also held that the existence of the contract did not authorize the company to dismiss the old employees, but should refer only to future employment.

It also held that the strike that was made by respondent labor union was valid because it was preceded by various demands, like improvement of working conditions, vacation leaves, grievance committee and previous notice.

The court dismissed the claim that complainants left their jobs; and ordered the reinstatement of 113 employees with back wages from their dismissal to their reinstatement, etc.

The decision of the Court of Industrial Relations is dated April 18, 1961, and is affirmed by the court en banc on May 24, 1961. On June 29, 1961 the petitioner company filed a motion for new trial, alleging that after the company had presented its evidence and in 1959 the company ceased operating all its three sawmills, thereby laying off all its employees and laborers in said sawmills, and in 1960 it operated

only one sawmill. Reason given for closing was the drop in prices; that it owes P76,832.46 as accrued wages. This motion for new trial was denied.

The company appeals from the judgment and from the order denying the motion for new trial, raising same questions on the appeal.

It is first contended that there was no investigation conducted by the prosecutor before the charges were filed against petitioner. The record shows that on March 19, 1954 the Tagkawayan Labor Union, thru its officers, filed the complaint with the Court of Industrial Relations, charging petitioner with preventing them from union activities, requiring the members to join the National Labor Union, discrimination against its members, etc. (Exh. A, Petition). A motion to dismiss was filed against the petition, on the ground that the persons who committed the acts were not officers of the company (Exh. B, Id.). The motion was denied (Exh. C, Id.). On March 4, the company answered denying the charges (Exh. D). The charges were set for hearing, and at said hearing another motion to dismiss was again filed on September 14, 1954. Action on the case was first suspended but later, on March 15, 1957, the court ordered the case referred to the Prosecution Division for investigation with the instruction that since the evidence already adduced at previous hearing establish a prima facie case to warrant the filing of a complaint, the chief prosecutor is directed to file the complaint with said evidence (Exh. I, March 23, 1957). Thereupon the Prosecutor filed the complaint. We held that the previous hearing conducted by the court itself was a sufficient investigation to support the information.

It is next contended that the court below erred in dismissing the case against the National Labor Union; that such dismissal amounted to admitting the validity of the agreement with the National Labor Union. The argument is without merit. Admitting that the agreement with the National Labor Union for a closed-shop is valid, the said closed-shop agreement cannot affect the laborers ready employed, like the members of the Tagkawayan Labor Union. This is the ruling laid down in a series of decisions of this Court, starting with the case of Local 7, Press & Printing Free Workers (FFW), et al. vs. Hon. Judge Emiliano Tabigne, etc., et al., G.R. No. L-16073, November 29, 1960.

In the case of Freeman Shirt Manufacturing Co., Inc. et al. vs. Court of Industrial Relations, et al., G. R. No. L-16561, Jan. 28, 1961, We held:

> "The closed-shop agreement authorized under Sec. 4 subsec. a(4) of the Industrial Peace Act above quoted should however, apply only to persons to be hired or to employees who are not yet members of any labor organization. It is inapplicable to those already in the service who are members of another union. To hold otherwise, i.e., that the employees in a company who are members of a minority union may be compelled to disaffiliate from their union and join the majority or contracting union, would render nugatory the right of all employees to self-organization and to form, join or assist labor organization of their own choosing, a right guaranteed by the Industrial Peace Act (Sec. 3, Rep, Act No. 875) as well as by the Constitution (Art. III, sec. 1[6]."

The next error imputed to the court a quo is its finding that the company committed an unfair labor practice because the National Labor Union was not certified by the Court of Industrial Relations. The import of the decision is that since the National Labor Union was not chosen by all the employees of the company in a certification election, its agreement was not binding on the members of the Tagkawayan Labor Union. We find no error in this ruling. The claim that the National Labor Union was designated by the majority of the members is without proof or foundation, because the members of the Tagkawayan Labor Union were not in any manner consulted before the closed-shop agreement was entered into.

Still insisting on the validity of the closed-shop agreement with the National Labor Union the petitioner argues that the provision of the agreement to the effect that non-members of the National Labor Union are given two months from the signing of the contract to become members is valid. The provision compels all laborers, especially the members of the Tagkawayan Labor Union, to join the National Labor Union. Precisely such provision destroys the freedom of the laborers to choose the union that will represent them and this constitutes unfair labor practice.

It is also contended that the ruling of the court finding the strike valid is erroneous. We find that the strike is legal, even if resorted to only because the members of the Tagkawayan Labor Union were being forced to join the rival Union (National Labor Union). Furthermore, the strike was preceded by various demands which were not granted.

We next come to the supposed error in not granting a new trial. While We agree with the court below that the facts alleged in the said motion for new trial could not affect the findings of the court and its ruling on the existence of an unfair labor practice and the further finding that the strike was valid, the facts presented therein could very well justify a modification of the decision insofar as said decision orders the reinstatement without limitation as to time. In the motion for new trial, which is verified, it is stated that the sawmills of petitioner stopped its operation from July, 1954 and did not re-open until January, 1957. We can not agree to the insinuation of the court that the sawmill business of petitioner was profitable. The closing of the mills shows that the petitioner had been losing as it is impossible to believe that the business would close for two years if it had not suffered loses. With the fact of the closing of the sawmills in mind, the court should have modified its decision as to the period of time during which the respondent members of the union should be allowed to receive back wages. The court could not in justice, for example, order payment of wages up to the date of the decision en banc on May 24, 1961. If the decision were to be enforced the respondents would be receiving back wages from March, 1954 until May, 1961, in spite of the closing of the mills, which we believe to be unjust.

On the subject of how long the order for back wages should be received, we believe that the court should fix a reasonable period, especially as the sawmills had been closed in the same year, July, 1954. When laborers have been dismissed without any possibility of being re-employed, as in the case at bar, they should have taken steps to find other work for themselves; to allow them to receive back wages during the whole time the case was pending is unjust and improper. In all probability they must have located some other work to tide them over, especially in this case since the sawmills closed in

July, 1954, or a few months after their separation, and recovery should be limited to said period of time.

A ruling that would permit a dismissed laborer to earn back wages for all time, or for a very long period of time, is not only unjust to the employer but the same would foster indolence on the part of the laborers. The laborer is not supposed to be relying on a court judgment for his support, but should do everything a reasonable man would do; he should find employment as soon as employment has been lost, especially when the employment has to depend on a litigation. He should try to minimize the loss that may be caused to the employer by looking for other work in which he can be employed.

In consonance with this view We hold that a period of three months should be enough time for a laborer to locate another work — different from that from which he was separated. Consequent with this opinion, the back wages that should be awarded respondents laborers should be limited to three months, and not for an indefinite period as the decision seems to imply.

One more point need be taken up and that is in connection with the ruling of the respondent court that the 288 strikers be admitted back to work and given back wages. From the statement of counsel as well as from the decision of the court, it does not appear that the supposed strikers were actually working at the time of the strike and were dismissed from their work. In a motion for reconsideration of the decision it is claimed that of the 288 alleged strikers only 10 were actually working at the time of the strike. These ten must have been included among the 113 dismissed employees. It is difficult to understand how the court has gone to the extent of ordering the reinstatement of the 288 strikers when they were not actually employed at the time of the strike. Our understanding is that they were mere contract workers; independent workers, not actually employed at the time of the strike, who sympathized with the dismissed laborers and therefore joined the strike. We are inclined to believe that their joining the strike was to show their sympathy for the fate of the dismissed employees. The court itself did not find that they were actually dismissed. Those that were actually dismissed must be included in the 113 who had already been declared entitled to receive pay for a period of three months from the time of their dismissal. As

they were merely strikers without having been actually discharged from employment there is no reason why they should be entitled to be readmitted to work from which they had not been dismissed. The portion of the decision ordering that the 288 strikers be reinstated is, therefore, set aside.

WHEREFORE, the judgment ordering reinstatement with back wages is affirmed but it is modified as to the length of time for their payment to only three months back wages. So ordered.

Bengzon, *C.J.*, Padilla, Bautista Angelo, Concepcion, Reyes, Barrera, Paredes, Dizon, Regala and Makalintal, *JJ.*, concur.
