SUPREME COURT
FIRST DIVISION

SUNRIPE COCONUT PRODUCTS CO., INC.,
***Petitioner*,**

-versus-

G.R. No. L-2009
April 30, 1949

THE COURT OF INDUSTRIAL RELATIONS and SUNRIPE COCONUT WORKERS' UNION (CLO),
***Respondents*.**
x----------x

D E C I S I O N

PARAS, *J.*:

This is an appeal from a decision of the Court of Industrial Relations holding that the "parers" and "shellers" of the petitioner, Sunripe Coconut Products Co., Inc., are its laborers entitled to twelve days sick leave (one day for each month of service), notwithstanding the fact that they are piece-workers under the "pakiao" system. The contention of the petitioner is that said "parers" and "shellers" are independent contractors and do not fall within the category of employees or laborers.

The Court of Industrial Relations has relied upon the rule laid down in the case of Philadelphia Record Company, 69 N.L.R.B., 1232 (1946), to the effect that when a worker possesses some attributes of an employee and others of an independent contractor, which make him fall within an intermediate area, he may be classified under the category of an employee when the economic facts of the relation make it more nearly one of employment than one of independent business enterprise with respect to the ends sought to be accomplished. Counsel for the petitioner does not dispute the correctness or applicability of the rule, but it is vigorously contended that, in the case at bar, the economic facts characteristic of the independent contractor far outweigh the economic facts indicative of an employee. We are not called upon to rule on the accuracy of petitioner's contention, since the conclusion of the Court of Industrial Relations on the matter is binding on this Court. In other words, the ruling that the "parers" and "shellers" have the status of employees or laborers, carries the factual verdict that the economic facts showing such status outweigh those indicative of an independent contractor.

Some facts expressly invoked by the Court of Industrial Relations are: That the "parers" and "shellers" work under some degree of control or supervision of the company, if not under its absolute direction; that said "parers" and "shellers" form stable groups composed of matured men and women who regularly work at shelling and paring nuts; that for the most part they depend on their work in the Sunripe Coconut Products Co., Inc. for their livelihood; that they are admittedly working in the factory of said company, alongside persons who are indisputably employed by said company. As already stated, whether these specific facts are outweighed, as contended by the petitioner, by facts demonstrative of the status of an independent contractor, is a question decided adversely to the petitioner when the Court of Industrial Relations held that the "parers" and "shellers" are laborers or employees.

It is also pretended for the petitioner that the Court of Industrial Relations departed from the definition of the word "employee" or "laborer" found in the Workmen's Compensation Law, namely: "Laborer' is used as a synonym of 'employee,' and it means every person who has entered the employment of, or works under a service or apprenticeship contract for, an employer" *(Section 39 [b],*

Workmen's Compensation Law, as amended). The Court of Industrial Relations of course adverted to the following definition: "An employee is any person in the service of another under a contract for hire, express or implied, oral or written." *(Section 7, Labor Unions by Dangle and Scriber, p. 7, citing Mcdermott's Case, 283 Mass. 74; Werner vs. Industrial Comm., 212 Wis., 76.)* In essence, however, the ruling of the Court of Industrial Relations does not run counter to the definition given in the Workmen's Compensation Law.

Counsel for the petitioner have stressed the argument that the principal test in determining whether a worker is an employee or an independent contractor is the employer's right of control over the work, and not merely the right to control the result, it being intimated that the "parers" and "shellers" are controlled by the petitioner only to the extent "that the nuts are pared whole or that there is not much meat wasted." Even under the criterion adopted by the petitioner, it would not be amiss to state that the requirement imposed on the "parers" and "shellers" to the effect that "the nuts are pared whole or that the is not much meat wasted," in effect limits or controls the means or details by which said workers are to accomplish their services. It is inconceivable that the "parers" and "shellers," in order to meet the requirement of the petitioner, would not follow a uniform standard in the performance of their work.

Petitioner also insists that the "parers" and "shellers" are piece-workers under the "pakiao" system. In answer, suffice it to observe that Commonwealth Act No. 103, as amended, expressly provides that "A minimum wage or share shall be determined and fixed for laborers working by the hours, day or month, or by piece-work, and for tenants sharing in the crop or paid by measurement unit. . . . " (Section 5.) The organic law of the Court of Industrial Relations, therefore, even orders that laborers may be paid by piece-work; and the fact that the "parers" and "shellers" are paid a fixed amount for a fixed number of nuts pared or shelled, does not certainly take them out of the purview of Commonwealth Act No. 103.

It is unnecessary to discuss at length the other facts pointed out by the petitioner in support of the proposition that said "parers" and "shellers" are independent contractors, because a ruling on the matter would necessarily involve a factual inquiry which we are not

authorized to make. Even so, we would undertake to advance the general remark that in cases of this kind, wherein laborers are usually compelled to work under conditions and terms dictated by the employer, a reasonably wide latitude of action and judgment should be given to the Court of Industrial Relations with a view to settling industrial disputes conformably to the intents and purposes of its organic law. Without in the least intimating that the relation between the "parers" and "shellers" on the one hand and the petitioner on the other, as planned out by the latter, was conceived knowingly to deprive said workers of the benefits accruing to workers who are admittedly employees or laborers under Commonwealth Act No. 103 or the Workmen's Compensation Law, it is not difficult to surmise that a contrary decision is likely to set a precedent that may tend to encourage the adoption of a similar scheme by many other or even all employers.

The appealed decision of the Court of Industrial Relations is therefore affirmed, with costs against the petitioner. So **ORDERED**.

Moran, *C. J.*, Pablo, Bengzon and Reyes, *JJ.*, concur.
Tuason, *J.*, concurs in the result.

Separate Opinions

PERFECTO, *J.*, concurring:

We concur in the decision as penned by Mr. Justice Paras.

We believe that judicial notice can be taken of the fact that the so-called "pakyaw" system mentioned in this case, as generally practiced in our country, is, in fact, a labor contract between employers and employees, between capitalists and laborers. Under this system, the workers continue in the economic category of contract laborers. They do not acquire the character of owners or managers of an independent enterprise. The system is practiced only in labor contracts.

The “parers” and “shellers” in this case, according to the record, are subject to some degree of control or supervision by the company for which they are working, and that very fact characterizes them as employees or laborers, entering into the service of the company under a contract of hire or lease of services.

BRIONES, M., conforme:

Estoy conforme con la ponencia. Aunque los obreros interesados en este asunto trabajan bajo la forma de contrato llamada “pakyaw,” esto es, se les paga la compensasion de su trabajo no mediante jornal sino a razon de la cuantia de la labor realizada, esto, sin embargo, es meramente incidental y se refiere so lo a la forma de pago. Para todos los demas efectos y fines los obreros de que se trata forman parte de la organizacion de trabajadores afectos a la industria de la compañia recurrente. Si se tratase de obreros contratados bajo “pakyaw” de cuando en cuando, casualmente, segun lo requieran la emergencia y las necesidades incidentales de la compañia, probablemente se podria sostener que no son obreros en el sentido legal de la palabra y, por tanto, sin derecho a reclamar los titulos y privilegios anejos a la condicio n de obrero. Pero el presente caso es diferente. Aqui los obreros tienen una colocacion mas o menos permanente y forman parte, como digo, de la organizacion de la compañia al igual que los asalariados.

FERIA, *J.*, dissenting:

I dissent.

Under section 14 of Commonwealth Act No. 103, and Rule 44 of the Rules of Court, appeal by certiorari from the decrees, orders or decisions of the Court of Industrial Relations to the Supreme Court lies only in cases in which questions of law are involved in the appeal, and consequently this Court can not review said decrees, orders or decisions on questions of fact.

In all judicial cases, the justiciable question is always either one of fact and law, or of law only if the facts on which it is predicated are

admitted or not in issue. It can never be a question of fact only, because the administration of justice consists in the application of the law to the facts of each case submitted to the Court for decision. The facts are the minor premise of the sylogism, the law applicable to them the major premise, and the conclusion drawn from the sylogism is the conclusion or finding of law, necessary for the decision of cases or lawsuits by the courts.

If the facts are admitted, and only the law applicable to the case and the conclusion of law to be drawn from such application is in issue in an appeal, the question involved is purely of law, and the Supreme Court has jurisdiction to review and pass upon the conclusions of law or findings of the Court of Industrial Relations. However, if not only the law applicable and, consequently, the inference or conclusion to be drawn from the application thereof, but the facts of the case as shown by the evidence are in issue, the question involved in an appeal is not of law but of fact, because no question of law may arise before the facts to which the law may be applied have been finally determined or found.

In the present appeal there is no question of law involved, because the question whether the "parers" or "shellers" have the status of employees or laborers in view of the facts of the case or the work they were bound to do, or the control the principal may or may not have over their work is a question of fact, or which "would necessarily involve a factual inquiry which we are not authorized to do," according to the very decision of the majority.

This Supreme Court has, therefore, no jurisdiction to review the decision of the Court of Industrial Relations because the appeal does not involve a question of law but of fact, and this Court has no power to review the findings of fact in the decision of the said Court of Industrial Relations. A decision of the said Court on questions of fact is final and not appealable.

We should have dismissed the petition for certiorari by way of appeal filed in this case from the start, and the fact that we have given it due course in order to determine whether or not appeal lies after hearing the adverse party, does not necessarily empower us to pass Upon the merits of the appeal and affirm or reverse the decision appealed from.

To affirm or reverse a judgment of the Court of Industrial Relations presupposes a review by us of the findings of fact on which it is based, which we have power to do in the present case.

Petition for certiorari by way of appeal is therefore dismissed. We can not review and affirm or reverse the decision of the Court of Industrial Relations in this case. So ordered.
