LABOR LAW

COURT OF INDUSTRIAL RELATIONS

Power to grant maternity leave; Secs. 1, 4 and 20, Com. Act No. 103 applied.

Independent of any special enactment, the power of the Court of Industrial Relations to allow maternity leave is implied in the power to regulate relations between labor and capital in industry and agriculture. (PHILIPPINE EDUCATION CO., INC. *vs.* COURT OF INDUSTRIAL RELATIONS ET AL., G. R. No. L-5679, Nov. 28, 1953.)

Despite its broad powers, it cannot ignore due process principles; Ocular Inspection—mere auxiliary remedy.

FACTS: Respondent filed with the CIR a petition seeking authority to lay off employees because of financial losses. Petitioner opposed same, alleging that the claim of financial losses had no basis in fact; that the petition represented an act of retaliation for a strike staged a few days before by the workers; that the petition was simply an attempt to harass and intimidate them.

On the day set for the petition's hearing, at the request of respondent, Judge Roldan held an ocular inspection of the studios of respondent and interrogated fifteen laborers then present. On the strength of the evidence adduced during the ocular inspection, Judge Roldan issued an order granting respondent the authority to lay off.

HELD: Although, in the determination of any controversy, the CIR may adopt its own rules of procedure and act according to justice and equity without being bound by technical rules of evidence (Sec. 20, Commonwealth Act No. 103), this broad grant of power should not be interpreted to mean that it can ignore or disregard the fundamental requirements of due process in the trial of cases before it.

An ocular inspection of the establishment involved is proper if the court finds it necessary; but such is authorized only to help the court clear a doubt, reach a conclusion, or find the truth. It is not the main trial nor should it exclude the presentation of other evidence which the parties may consider essential to establish their case. It is merely an auxiliary remedy to enable the court to reach an enlightened determination of the case. (PHIL. MOVIE PICTURES WORKERS' ASSOCIATION *vs.* PREMIERE PRODUCTIONS, INC., G. R. No. L-5621, March 25, 1953.)

CIR may not fix the expenses of harvesting the crops in terms of pesos, jointly with the expenses of planting and cultivation.

FACTS: Because his tenants, petitioners herein, refused to sign the contracts which he offered them for the agricultural year 1950-51, respondent Chanco filed complaints against them, praying for their ejectment from the lands cultivated by them. The cases reached the CIR, and hearings were held to determine the expenses of *planting*, *cultivation*, and *harvesting*, as to which the parties could not agree.

The CIR found that the reasonable cost of planting, cultivation, and harvesting was ₱50.00, so it fixed the expenses at said amount for the year 1950-51, one-half to be borne by the landlord and the other half by the tenant.

HELD: The order of the court fixing the expenses of harvesting the crops in terms of pesos, jointly with the expenses of planting and cultivation, is unfair to the tenant because it deprives him of the opportunity to do the harvesting himself; because it would require him to furnish capital, which he may have to secure at usurious rates of interest; because such a scheme will deprive him of a ready source of livelihood and force him into unprofitable idleness; because it would give the landlord opportunity to share in that part of the harvest intended by law to be given to the tenant alone, under the guise of furnishing expenses; because it would open a new field for landlords to litigate on; and lastly, because it is against the plain purpose and intent of the legislative provision allowing the expenses of harvesting to be paid out of the gross produce. (CAMIA ET AL. *vs.* CHANCO ET AL., G. R. No. L-5175, Feb. 27, 1953.)

What should be ascertained in a new trial?

Whether the company, after the rendition of a decision against it awarding an increase in wages and new privileges, can continue operation with the same number of personnel with said wages and privileges should be ascertained in a new trial in the interest of all concerned. (PHILIPPINE EDUCATION CO., INC. *vs.* COURT OF INDUSTRIAL RELATIONS ET AL., G. R. No. L-5679, Nov. 28, 1953.)

AWARDS

When an award may not be modified; Sec. 17, Com. Act No. 103 construed.

The Court of Industrial Relations may not modify an award after an order for the execution of that award has already become final—with respect, of course, to the period that had already elapsed at the time the order was issued. (NAHAG ET AL. *vs.* ROLDAN ET AL., G. R. No. L-5983, Nov. 28, 1953.)

Proper subjects of collective bargaining.

Pension payments and retirement plans are embraced in "wages" and conditions of employment are proper subjects of collective bargaining, the only limitations being that the award be reasonable and compatible with the employer's right to a reasonable profit on its capital. (PHILIPPINE EDUCATION CO., INC. *vs.* COURT OF INDUSTRIAL RELATIONS ET AL., G. R. No. L-5679, Nov. 1953.)

Where conditions are not materially identical, there is no discrimination in the payment of gratuity.

FACTS: In a controversy involving several demands made upon Caltex (Phil.) Inc. by the Philippine Labor Organizations, Caltex Chapter, the CIR required said corporation to pay its "eleven female pre-war employees the corresponding one-year gratuity that it has extended to its pre-war male employees," basing its order on justice and equity.

The corporation agreed in its motion for reconsideration that the payment had been made only to pre-war male employees who were working for the company, which was not quite the case with the eleven women employees who, though pre-war employees, were no longer employed by the company at the time the gratuity was paid.

HELD: In the settlement of disputes, it is proper and convenient for the court in exercising its ample powers to insist that capital shall make no discrimination between men and women employees. However, discrimination only exists when one is denied privileges given to the other under identical or similar *material* conditions. The condition of actual employment by the company is undoubtedly material, the purpose of the gratuity obviously being to induce the company's workers to render better service in return for such generosity, or simply to improve the finances and morale of its workers with consequent beneficial effects upon the corporate business. In the case at bar, the conditions were different: the male beneficiaries were employees, whereas the women claimants were not. (CALTEX (PHIL.) INC. *vs.* PHIL. LABOR ORGANIZATIONS, CALTEX CHAPTER, G. R. No. L-5206, April 29, 1953.)

LABOR UNIONS

When empowered to sue or be sued.

FACTS: Petitioner P.L.A.S.U., Inc., a duly registered labor union, filed with the CIR several demands and grievances against Pepsi-cola Bottling Co. While the case was pending, the Department of Labor revoked the Union's license and struck out its name from the list of duly registered labor unions. The CIR ordered the substitution of its members as parties-petitioners in lieu of the Union. This the Union failed to do, instead organized itself into a non-stock corporation and filed articles of incorporation with the Securities and Exchange Commission. The CIR thereupon dismissed the petition of the erstwhile Union on the ground that it lacked the requisite legal capacity. Hence, this petition for review.

HELD: Although the Union lost its personality to sue before the CIR because its license had been revoked, nevertheless the CIR need not have dismissed the petition. It could have proceeded with the case on the condition that the members consent to being bound by any decision which it might render in due course. However, the fact that the Union organized itself into a corporation under the Corporation Law does not give it the requisite personality to sue before the CIR,

although it may have such personality before any other court. (PHILIPPINE LAND-AIR-SEA LABOR UNION, INC *vs.* COURT OF INDUSTRIAL RELATIONS AND PEPSI-COLA BOTTLING CO., G. R. Nos. L-5664 and 5698, Sept. 17, 1953.)

STRIKES

Employees may not litigate against employer on latter's time.

FACTS: The Manila Trading Labor Association, composed of workers of Manila Trading and Supply Co., made a demand upon said company for a wage increase and other privileges. When their demands were refused and the Department of Labor failed to effect an amicable settlement, the said Department certified the dispute to the CIR. The CIR conducted various hearings between October, 1950 and January, 1951. These hearings were attended by the president and vice-president of the labor association, who were also employees of the company, out of their own volition. Though they had absented themselves from work on that account, they afterwards claimed that they were entitled to their wages.

HELD: When a strike takes place, and even if it were legal, the strikers may not collect wages for days they did not work on (J. P. Heilbronn Co. vs. National Labor Union, G. R. No. L-5121). For the same reason, laborers who freely absent themselves from work to attend the hearing of a case in which they seek to prove and establish their demands against the company, the legality and propriety of which demands are not yet known, should lose their pay during the period of such absence from work. The age-old rule governing the relation between labor and capital, or management and employee, is that of "a fair day's wage for a fair day's labor." Moreover, it is hardly fair that an employee or laborer fight or litigate against his employer on the latter's time. (MANILA TRADING AND SUPPLY CO. *vs.* MANILA TRADING LABOR ASSOCIATION, G. R. No. L-5062, April 29, 1953.)

LABOR CONTRACTS

A labor contract merely creates an action in personam, *not a real right which should be respected by third parties.*

FACTS: In 1950 Java filed with the CIR a petition against the Southern Lines Inc., praying for a writ of preliminary injunction to restrain the latter from wresting from them the right to load and unload cargo on the boat "Gov. Smith" and other boats of the Southern Lines Inc. that might dock at the port of the City of Cebu. The petition was granted.

In 1951 the Southern Lines sold the "Gov. Smith" to the Philippine Steam Navigation Co., Inc., which, in turn, sold the same boat to the Visayan Transportation Co., Inc. The latter attempted to wrest from Java and his men the work of loading and unloading the cargo on said boat. Whereupon, Java petitioned the court to enjoin the Visayan Transportation from so doing pending determination of the issue involved in the main case against the Southern Lines Inc. This petition was also granted.

HELD: The Visayan Transportation Co., Inc. is not bound to respect the labor contract entered into between Java and the Southern Lines, unless in the deed of transfer the right of Java to the stevedoring work was included as one of the conditions. This conclusion emanates from the theory that a labor contract merely creates an action *in personam* and does not create any real right which should be respected by third persons. This conclusion draws its force from the right of an employer to select his employees and to decide when to engage them, a right guaranteed by our Constitution which can only be restricted by law through the proper exercise of police power. (VISAYAN TRANSPORTATION CO., INC. *vs.* JAVA, G. R. No. L-6111, Oct. 22, 1953.)

WORKMEN'S COMPENSATION COMMISSION

Jurisdiction of Workmen's Compensation Commission.

FACTS: This is an appeal from an order of the CFI of Bulacan, dismissing plaintiffs' complaint for workmen's compensation on the ground that the matter properly fell within the jurisdiction of the Workmen's Compensation Commission. Republic Act No. 772, which took effect on June 20, 1952, conferred upon the Commission "exclusive jurisdiction" to hear and decide claims for compensation under the Workmen's Compensation Act, subject to appeal to the Supreme Court.

The fatal accident which befell plaintiff's husband occured in January, 1952, and action was commenced in August, 1952. Appellants contended that the date of the accident, and not the

date of filing the complaint, should be considered because the right to compensation of the employee or his dependents begins from the very moment of the accident.

HELD: True, the right arises from the moment of the accident, but such right must be declared or confirmed by the government agency empowered by law to make the declaration. And that agency in this case is the Workmen's Compensation Commission which, from June 20, 1952, has been conferred exclusive jurisdiction to hear and decide claims for compensation.

Appellants further argued that R. A. No. 772 should not be enforced as to accidents occurring before its approval, because it had introduced changes affecting vested rights. It might be admitted that changes as to substantive rights would not govern such "previous" accidents. But here we are dealing with remedies and jurisdiction which the Legislature has power to determine and apportion. (CASTRO ET AL. *vs.* SAGALES, 50 O. G. 94.)

LAND REGISTRATION

LEGAL INCIDENTS TO REGISTRATION

Fraud in application for land registration; Sec. 38, P. A. No. 496 construed.

FACTS: On March 14, 1945, Manipon filed an application for the registration of a parcel of land. The Director of Lands opposed it, alleging that the land was part of the public domain and belonged to the Government. The court's decision and the corresponding decree were issued in Manipon's favor.

On May 26, 1947, the Solicitor-General of the Philippines, in behalf of the Government of the U. S., filed a petition for review of the decree under Sec. 38, Public Act No. 496, alleging that the land in question was part of the U. S. military reservation known as Clark Field Airforce Base, and that the registration had been obtained through fraud because Manipon had intentionally failed to inform the court of this fact.

HELD: The decree of registration entered in Manipon's name should be set aside. Manipon's contention that the U. S. Government cannot take and keed land which he claims has been in his peaceful, public, continuous and adverse possession for at least fifty years, does not hold. The case of *Gov't. of the U. S. vs. CFI of Pampanga, 50 Phil. 976* is decisively against Manipon's contention in both legal and factual aspects. The notable feature of the present case which tends to lend weight to the charge of fraud is that Manipon's plan had been drawn and approved as early as 1932, but his application was not filed until the rightful occupants had been driven away, albeit temporarily, from the country. (MANIPON ET AL. *vs.* GOVERNMENT OF THE U. S., G. R. No. L-4582, March 26, 1953.)

When an opposition has the effect of a petition for review.

FACTS: Merquiala, predecessor in interest of petitioners,