CHANROBLES PUBLISHING COMPANY

SUPREME COURT
EN BANC

THE BACHRACH TRANSPORTATION CO., INC., and THE BACHRACH MOTOR CO., INC.,
***Petitioners*,**

-versus-

G.R. No. L-21768
August 23, 1966

RURAL TRANSIT EMPLOYEES ASSOCIATION and RURAL TRANSIT SHOP EMPLOYEES ASSOCIATION,
***Respondent*.**
x----------x

D E C I S I O N

REYES, *J.*:

Petition for Review on *Certiorari* of a Decision of the Court of Industrial Relations, in its CIR Case No. 22-IPA (14), and of a Resolution of the same court, En Banc, denying a Motion to Reconsider the Decision.

The record disclosed that: on 9 July 1956, Rural Transit Labor Association, a legitimate labor union, filed a petition for certification election with the Court of Industrial Relations, claiming, among others, majority representation of all employees of Bachrach Motor

Co., Inc, a domestic corporation, which owns and operates a fleet of passenger buses and engages in business under the trade name and style of "Rural Transit", and which will hereinafter be referred to as the Company. This petition was docketed as CIR Case No. 382-MC.

After allowing intervention of two other unions (Rural Transit Employees Association and Rural Transit Shop Employees Association), the Industrial Court heard the certification election case and, on 7 June 1958, it issued an order recognizing Rural Transit Shop Employees Association as a separate appropriate bargaining unit, apart and distinct from the fieldmen composed of drivers, conductors, office and miscellaneous employees of the Company, and directing the holding of a certification election among employees of the shop department and another election among the fieldmen in order to choose or determine the representatives in each of these groups of employees for collective bargaining purposes.

The record also discloses that while the Industrial Court was hearing this certification election case all employees of the Company declared, sometime in the latter part of May, 1958, a strike for failure to settle some labor dispute with the Company. The President of the Philippines, being of the opinion that the strike adversely affected the national interest certified the dispute to the Industrial Court for compulsory arbitration. This case was docketed as CIR Case No. 22-IPA.

On 7 August 1958, the Industrial Court issued a return to work order to all strikers and the Company to accept these strikers back to work.

On 22 August 1958, Rural Transit Employees Association filed a petition containing certain sets of claims or demands from the Company. On 10 September 1958 it also filed a motion to direct the examiner of the court to verify the correctness of computation of the claims or demands set forth in the petition, which motion was later amended, on 28 October 1958, to include the verification of "money value of the accrued leave paid to the employees from 1946". The Company did not offer any objection to this amended motion. Pending consideration thereon, the Industrial Court separated this claim for verification of money value of accrued leave from the other

incidents of the case, and this was docketed as CIR Case No. 22-IPA (14).

For its part, the Company presented a motion to compel Rural Transit Labor Association and Rural Transit Shop Employees Association to intervene in this case, to which motion Rural Transit interposed its opposition. The Industrial Court, in its order dated 21 October 1958, granted the motion (Annex "1", answer). In compliance with this order, Rural Transit Shop Employees Association filed its intervention dated 25 April 1959 (Annex "2", answer). Acting on the above-mentioned petition and amended motion, the Industrial Court issued its order, dated 9 November 1958, authorizing and directing its Chief Examiner to conduct the verification prayed for (Annex "3", answer).

In the meantime, certification election was held on 27 August 1959, and in that election Rural Transit Shop Employees Association received the majority of votes cast by employees of the shop department of the Company. Accordingly, the, Industrial Court, in its order dated 8 September 1959, certified said labor union as the sole exclusive bargaining representative of all employees and laborers of the shop department of "Rural Transit" (Annex "B", petition).

As such certified bargaining representative, Rural Transit Shop Employees Association began negotiations with the Company and presented, through a letter dated 30 October 1959, a set of proposals to serve as basis for a collective bargaining agreement (Annex "4", answer).

On 21 December 1959, the Company and Rural Transit Shop Employees Association entered into a collective bargaining agreement (Annex "C", petition). In this agreement, it was stipulated that:

> "XI. — OTHER DEMANDS
>
> All other demands contained in the Union's letter, dated October 30, 1959, whether mentioned or not mentioned in this Agreement are hereby withdrawn by the Union. The parties agree and hereby certify that this present Agreement settles all

matters, questions and disputes between them, regardless of whether or not they are mentioned herein."

After the execution of this agreement, on 10 January 1960, the Chief Examiner of the court submitted his "Second Partial Report" showing that there had been underpayment of accrued leave to at least 130 shop employees and overpayment to about 20 shop employees of the Company covering the period from 15 December 1954 to 15 December 1958.

Meanwhile, Bachrach Motor Co., Inc., transferred and assigned, on 28 May 1960, the operation of "Rural Transit" to Bachrach Transportation Co., Inc. As such successor, the latter was included as party in this case (page 6, petition).

On 20 January 1961, Rural Transit Shop Employees Association submitted a motion with the Industrial Court, in CIR Case No. 22-IPA, praying that the Company be ordered to deposit the amount corresponding to the underpaid accrued leave of shop employees, as shown and submitted in the "Second Partial Report" (Annex "D", petition).

The Company opposed the motion, setting up several defenses the most important and relevant of which, in the case at bar, was that this claim of underpayment of accrued leave of the shop employees had already been expressly, clearly and validly waived, renounced and/or settled when the Company and movant Rural Transit Shop Employees Association entered into a collective bargaining agreement on 21 December 1959 (Annex "E", petition).

Ruling on this incident, after due hearing thereon, the Industrial Court opined that the filing of movant-labor union of its petition for verification on 28 October 1958 without the Company objecting thereto, coupled with the fact that the settlement of all claims referred to in the collective bargaining agreement refers only to claims demanded in the Union's letter dated 30 October 1959, and this letter did not contain any demand for verification, are circumstances which could not be indicative of movant-labor union's intention to waive or renounce its claim for the money value of underpaid accrued leave of the shop employees of the Company. It also opined that the Sun Ripe

Coconut Products, Inc. case, infra, invoked by the Company is not applicable to the case at bar; hence, it rendered its decision, dated 16 July 1963, the dispositive part of which reads:

> "WHEREFORE IN VIEW OF THE FOREGOING CONSIDERATION, the second Partial Report of the Examiner dated January 7, 1960, is hereby approved and the respondent is directed to deposit the corresponding amount indicated therein." (Annex "F", petition)

The issue before us is whether the claim for the money value of the accrued leave of the shop employees, then pending verification by the Court examiner for report to the Industrial Court when the collective bargaining contract was celebrated, was renounced or waived under Clause XI of the Bargaining Agreement.

It is unquestionable that the first part of the said Clause, reading as follows:

> "All other demands contained in the Union's letter, dated October 30, 1959 whether mentioned or not mentioned in this Agreement are hereby withdrawn by the Union."

Refers explicitly and solely to the claims stated in the letter of the Union dated 30 October 1959. It does not, therefore, cover the alleged underpayment of accrued leave, which was not touched upon in the letter. But immediately after the opening part, Clause XI of the Collective Bargaining contract recites:

> "The parties agree and hereby certify that this present agreement settles all matters, questions and disputes between them, regardless of whether or not they are mentioned herein."

and we can not agree with the court below that this subsequent stipulation likewise refers to the demands contained in the Union letter of 30 October 1959, like the preceding sentence. The Union, in withdrawing the demands contained in its letter, in effect waived the same, so that no dispute existed thereafter about said demands. Such being the case, the second sentence, if construed to refer once again to the demands already withdrawn in the preceding sentence, would

become a useless duplication and a total superfluity. But the rule is that:

> "In the construction of an instrument where there are several provisions of particulars, such a construction is, if possible, to be adopted as will give effect to all." (Sec. 9, Rule 130, Revised Rules)

It is not denied that, besides the Union's demands in its letter of 30 October 1959, there were other disputed claims, one of them precisely the question of alleged underpayment of accrued leaves of the shop employees. This claim was included in the Union's amended motion of 28 October 1958; and it was pending when the collective bargaining agreement was executed over one year later, on 19 December 1959. Under the circumstances, the second part of Clause XI of the bargaining contract, so far as it settles "all matters, questions and disputes" between the parties, necessarily included therein the question of accrued leaves.

That at the time the bargaining contract was entered into the court examiner had not yet reported the exact amount of underpaid accrued leaves is irrelevant, for a claim can be in dispute even if the exact amount involved is as yet unknown. As to the Company's failure to object to the Union move for verification of the money value of the accrued leaves, the same is of no importance, the Union's motion having been filed prior to the bargaining contract where all claims were settled.

Considering that the evident purpose of the collective agreement (Clause XI in particular) is to restore industrial peace by settling all previous controversies, and that such purpose would be thwarted if the Union were allowed to reserve and revive the dispute on accrued vacation leaves; and considering, further, that this Court has ruled that the right to payment of accrued vacation leave is waivable (PAL vs. Balanguit, 99 Phil. 486, and cases therein cited), we can only conclude that the Union claim to such payment of accrued vacation leaves should be deemed validly and actually renounced by it under its collective bargaining agreement with petitioner. Hence, the order for deposit of the value of said leaves is unwarranted.

The resolution and decision of the Court of Industrial Relations, in its Case No. 22-IPA (14), now under appeal is reversed, and the Union claim is ordered dismissed, with costs against respondent Rural Transit Shop Employees Association.

Concepcion, *C.J.*, Barrera, Dizon, Makalintal, Bengzon, Zaldivar, Sanchez and Castro, *JJ.*, concur.
Regala, *J.*, is on leave.

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