

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
THIRD DIVISION**

**ILAW AT BUKLOD NG MANGGAGAWA
(IBM),**

Petitioner,

-versus-

**G.R. Nos. 81852-53
March 5, 1993**

**NATIONAL LABOR RELATIONS
COMMISSION, LABOR ARBITER
MANUEL P. ASUNCION, ABUNDIO
IBASCO, ANTONIO MAGSIPOC,
CARLOS VILLARANTE and
BIENVENIDO RAMIREZ,**

Respondents.

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DECISION

MELO, J.:

Before us is a Petition for Certiorari seeking the annulment of the order dated February 4, 1987, of respondent Labor Arbiter, the decision dated May 29, 1987 rendered by said respondent, and the resolutions dated October 12, 1987, and January 11, 1988, of the respondent National Labor Relations Commission.

The relevant facts as established by the record are as follows:

Petitioner, a duly-registered labor union, is the sole and exclusive bargaining representative of all daily-paid workers of the Metro Manila plants of San Miguel Corporation, hereinafter referred to as SMC.

On December 3, 1986, petitioner and SMB entered into a Memorandum of Agreement on Collective Bargaining Agreement (CBA). The National Council of petitioner called a general meeting on December 7, 1986 for the ratification of the CBA. On the morning of December 7, 1986, the National Council held a special meeting wherein the members present unanimously passed "Resolusyon Blg. 265, Serye 1956" (Annex G, Petition, p. 52, Rollo). It was agreed at said meeting to submit the resolution to the general membership for approval.

Two thousand two hundred forty three (2,243) members attended the general meeting. Said Resolusyon Blg. 265 was submitted to the general assembly for approval. Two Thousand one hundred seven (2,107) members voted in favor and thirty six (36) voted against the resolution. In said general membership meeting the 1986 CBA was ratified by the members.

Under said resolution, each member of the union was assessed P1,098.00 to be deducted from the lump sum of P10,980.00 which each employee was to receive under the CBA. Private respondents protested the deduction and refused to sign the authorization slip for the deduction. Petitioner passed a resolution on January 6, 1987, (Annex 9, Private Respondents' Comment, p. 169, Rollo) expelling private respondents from the union. SMB held in trust the amount of P1,098.00 pertaining to each private respondent.

On January 8, 1987, private respondents Antonio Magsipoc and Abundio Ibasco filed a complaint (Annex I, Petition, p. 59, Rollo) docketed as NLRC-NCR Case No. 1-092-87, before the Arbitration Branch, National Capital Region, National Labor Relations Commission for illegal and exorbitant deduction and illegal expulsion from the union. In February, 1987, a similar complaint docketed as NLRC Case No. 00-02-00731-87 was filed by private respondents Carlos Villarante and Bienvenido Ramirez.

On January 29, 1987, petitioner filed a motion to dismiss (Annex A, Petition, pp. 34-35, Rollo) Case No. 1-092-87 on the ground of lack of jurisdiction of NLRC. On February 4, 1987, respondent Labor Arbiter Manuel Asuncion issued an order (Annex B, Petition, pp. 36-37, Rollo) denying the motion to dismiss. It appears that the two cases were consolidated, and respondent Labor Arbiter proceeded to take cognizance of the cases and directed the parties to file their position papers. Only private respondents filed their position paper with petitioner continuing to refuse to submit to the jurisdiction of the Labor Arbiter.

On May 29, 1987, respondent Labor Arbiter rendered a decision (Annex C, Petition, pp. 39-43, Rollo) finding the questioned assessment illegal and ordering petitioner and SMB to return the amount of P1,098.00 to each of private respondents; declaring the expulsion of private respondents from the union null and void; and ordering petitioner to desist from expelling the members who objected to the deduction of the questioned assessment from their CBA differentials.

Petitioner seasonably filed a notice of appeal (Annex K, Petition, p. 61, Rollo) with respondent National Labor Relations Commission. On October 12, 1987, the NLRC issued a resolution (Annex D, Petition, pp. 44-46, Rollo) affirming the decision of respondent Labor Arbiter and dismissing the appeal. Petitioner filed a motion for reconsideration but the same was denied in a resolution dated January 11, 1988. (Annex E, Petition, p. 47, Rollo)

Hence, the instant recourse under the following assigned errors:

- “1. The NLRC committed reversible error in assuming jurisdiction over the person of petitioner union;
2. The NLRC committed a reversible error in assuming jurisdiction over the nature of the action;
3. The NLRC committed reversible error in declaring the sum from which the special assessment is made, is a wage, that

it is a deduction from a wage and that it is an attorney's fee.”(pp. 12-13, Rollo)

The second assigned error raising as it does the central issue of jurisdiction, attention must be focused on the same. It is fundamental that jurisdiction over the subject matter is conferred by law (Tijan vs. Sibonghanoy, 23 SCRA 29 [1968]) and is determined by the allegations of the complaint, irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein (Serrano vs. Munoz (Hi) Motors. Inc., 21 SCRA 1085 [1967]).

A perusal of the complaint (Annex I, Petition, p. 59, Rollo) clearly shows that the subject-matter concerns: (a) the assessment and deduction of 10% from private respondents' CBA differential pay which were denounced by private respondents as illegal and exorbitant and made against their will, and (b) private respondents' expulsion from the union. The assessment and deduction of 10% from each employee's differential pay were imposed by petitioner through Resolusyon Blg. 265 and the expulsion was adopted by petitioner through Resolusyon Blg. 15, dated January 6, 1987, both of which were denounced by private respondents as illegal and violative of their rights as union members. Clearly this is an intra-union dispute — a dispute between a labor union and its members. “Internal Union Dispute” includes all disputes or grievances arising from any violation of or disagreement over any provision of the constitution and by-laws of a union, including any violation of the rights and conditions of union membership provided for in the Code (Book V, Rule I, Section 1(a), Omnibus Rules Implementing The Labor Code).

Article 226 of the Labor Code of the Philippines vests on the Bureau of Labor Relations and the Labor Relations Divisions jurisdiction to act on all inter-union or intra-union conflicts. Said Article thus provides:

“ARTICLE 226. Bureau of Labor Relations — The Bureau of Labor Relations and the Labor Relations Division in the regional offices of the Department of Labor shall have original and exclusive authority to act, at their own initiative or upon request of either or both parties, on all inter-union and intra-union conflicts, and all disputes, grievances or problems arising

from or affecting labor-management relations in all work places whether agricultural or non-agricultural, except those arising from the implementation or interpretation of collective bargaining agreements which shall be subject of grievance procedure and/or voluntary arbitration.”

Unquestionably, therefore, NLRC Case No. 1-092-87 and Case No. 00-02-00731-87, the subject of which is an intra-union dispute, fall under the original and exclusive jurisdiction of the Bureau of Labor Relations, and respondent Labor Arbiter and NLRC have no jurisdiction over said cases.

In view of the foregoing conclusion, there is no further need to discuss the other errors assigned by petitioner.

WHEREFORE, the order dated February 4, 1987 issued by respondent Labor Arbiter, the decision rendered on May 29, 1987, by said respondent, the resolution dated October 12, 1987, of respondent NLRC affirming the decision of respondent Labor Arbiter and the resolution dated January 11, 1988, of respondent NLRC are hereby **ANNULLED** and **SET ASIDE**. Respondent Labor Arbiter is hereby ordered to dismiss NLRC Case No. 1-072-87 and NLRC Case No. 00-02-00731-87, without prejudice to private respondents’ filing the same with the Bureau of Labor Relations.

SO ORDERED.

**Feliciano, Bidin, Davide, Jr. and Romero, JJ., concur.
Gutierrez, Jr., J., is on terminal leave.**