

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT  
EN BANC**

**INDUSTRIAL – COMMERCIAL -  
AGRICULTURAL WORKERS'  
ORGANIZATION (ICAWO),  
*Petitioner-Appellant,***

***-versus-***

**G.R. No. L-21465  
March 31, 1966**

**COURT OF INDUSTRIAL RELATIONS,  
CENTRAL AZUCARERA DE PILAR  
and/or ANTONIO BELZARENA as  
Manager, CENTRAL AZUCARERA DE  
PILAR ALLIED WORKERS  
ASSOCIATION (CAPAWA),  
*Respondents-Appellees.***

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**D E C I S I O N**

**RESOLUTION  
ON  
MOTION FOR RECONSIDERATION**

**REYES, J.:**

Appeal from a decision of the Court of Industrial Relations (Case No. 44-ULP-Iloilo) dismissing charges for unfair labor practice.

On 9 February 1956, the petitioner, Industrial-Commercial-Agricultural Workers' Organization (hereinafter referred to as the "ICAWO"), declared a strike against the respondent Central Azucarera de Pilar. The strike was amicably settled the following day, and among the provisions of the "Amicable Settlement" (Exhibit "C") reads:

"That the company shall not discriminate against any worker and the same treatment shall be accorded to workers (ICAWO affiliates) who declared a strike or not. A petition for Certification Election will be filed by the ICAWO in view of the other labor union, CAPAWA, with whom the company has an existing collective bargaining contract, a union which is considered by the ICAWO as a company union."

The CAPAWA therein referred to is the herein respondent Central Azucarera de Pilar Allied Workers Association and the collective bargaining contract, likewise therein referred to, entered into in 1955, provided:

"The EMPLOYER agrees that in hiring unskilled employees and laborers, the members of the WORKERS ASSOCIATION should be given preference and the management should notify accordingly to the WORKERS ASSOCIATION of any vacancy existing in all Departments. New employees and laborers hired who are members of the WORKERS ASSOCIATION will be on TEMPORARY STATUS and the EMPLOYER agrees that before they will be considered regular employees and laborers they have to become members of the CENTRAL AZUCARERA DE PILAR ALLIED WORKERS' ASSOCIATION within thirty (30) days from the date of employment and if they refuse to affiliate with the said labor organization within this time they will be immediately dismissed by the EMPLOYER;"

Among the strikers were 101 seasonal workers, some of whom have worked as such for the company since pre-war years.

On the opening of the milling season for the year 1956-1957, the respondent company refused to re-admit those 101 seasonal workers of the ICAWO on the ground that it was precluded by the closed shop

clause in its collective bargaining agreement with the CAPAWA. Thus, on 8 May 1958, the ICAWO filed an unfair labor practice charge against the company. The Court of Industrial Relations, in its decision dated 27 November 1961, ordered the reinstatement, with back wages, of these laborers; but on a motion for reconsideration, the said court, en banc, reversed the said decision in its resolution dated 13 August 1962.

Not satisfied with the reversal, the ICAWO filed the present petition for *certiorari* to review the industrial court's resolution.

The arguments gravitate around the status of the seasonal workers, the petitioner contending that they are regular and old employees and, as such, they should have been re-hired at the start, in the month of October, of each milling season, which usually last 5 months. The respondents, on the other hand, urge that these laborers are new, their employment terminating at the end of each milling season and, therefore, could not be re-admitted without the company violating the closed shop agreement with the CAPAWA.

In an almost identical case, involving practically the same parties, G. R. No. L-17422, 28 February 1962, this Court interpreted the closed shop agreement, *jam quot*, as referring "to future or new employees or laborers". This interpretation, however, does not resolve the present issue because it does not classify the seasonal workers one way or the other. A direct precedent, however, exists in the case of *Manila Hotel Company vs. Court of Industrial Relations, et al.*, L-18873, 30 September 1963, wherein this Court, alluding to certain employees in the Pines Hotel in Baguio, stated:

"Their status is that of regular seasonal employees who are called to work from time to time, mostly during summer season. The nature of their relationship with the hotel is such that during off season they are temporarily laid off but during summer season they are re-employed, or when their services may be needed. They are not strictly speaking separated from the service but are merely considered as on leave of absence without pay until they are re-employed. Their employment relationship is never severed but only suspended. As such, these

employees can be considered as in the regular employment of the hotel.”

The respondent company, however, relies upon the case of Hind Sugar Company vs. Court of Industrial Relations, et al., L-13364, 26 July 1960. This citation cannot be considered authoritative in the present case because the Hind case did not actually rule on the temporary character of the employment of seasonal workers; instead, it affirmed their reinstatement, which the labor court had ordered under Section 10 of the Industrial Peace Act as a solution to a strike, without regard to the permanent or seasonal nature of the employment of the strikers. Definitely, the Hind case did not deal with seasonal employees that had been recalled to work year after year during the milling season, thereby creating a reasonable expectation of continued employment; and for this reason, the Manila Hotel case (*supra*) sets a rule more in accord with justice and equity under the conditions shown by the record now before us.

Our conclusion is that petitioners, even if seasonal workers, were not “new workers” within the scope of the closed shop contract between the sugar central and the CAPAWA union; hence their discharge was illegal.

In filing the unfair labor practice complaint on 8 May 1958, the petitioner union, under the circumstances, did not incur laches, because there was no work for these seasonal workers during the off-season, from March to October. Moreover, the seat of the prosecution’s office was in Cebu, not in Panay, and a certification election had intervened to absorb the attention of the complainants.

For the foregoing reasons, the resolution under review is hereby set aside, and the court of origin is directed to order the reinstatement of the 101 seasonal workers to their former positions in the respondent sugar milling company.

With regard to the petitioner’s claim for backpay, this matter should be threshed out in the court below where the parties must be given opportunity to submit evidence to prove or disprove the employer’s good faith as well as the amounts that petitioners have earned or should have earned during their wrongful lay-off, such amounts being

deductible from the backpay due to petitioners (National Labor Union vs. Zip Venetian Blind, Co., L-15827, 31 May 1961; Aboitiz & Co., vs. C.I.R., L-18418, 29 Nov. 1962).

Let the records be returned to the Court of Industrial Relations for further proceedings, in consonance with this opinion. So ordered.

**Bengzon, C.J., Bautista Angelo, Concepcion, Barrera, Regala, Makalintal, Bengzon, Zaldivar and Sanchez, JJ., concur.**

**Dizon, J., is on leave, did not take part.**

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**RESOLUTION  
ON  
MOTION FOR RECONSIDERATION**

**August 23, 1966**

**REYES, J.:**

Respondents Central Azucarera de Pilar and its manager have asked this Court to reconsider and reverse its decision of March 31, 1966. They insist that the seasonal character of the milling activities of the respondent Central each year necessarily implies that the employment of petitioners ceases after each milling season.

We do not find this position tenable. The cessation of the Central's milling activities at the end of the season is certainly not permanent or definitive; it is a foreseeable suspension of work, and both Central and laborers have reason to expect that such activities will be resumed, as they are in fact resumed, when sugar cane ripe for milling is again available. There is, therefore, merely a temporary cessation of the manufacturing process due to passing shortage of raw material that by itself alone is not sufficient, in the absence of other justified reasons, to sever the employment or labor relationship

between the parties, since the shortage is not permanent. The proof of this assertion is the undenied fact that many of the petitioner members of the ICAWO Union have been laboring for the Central, and re-engaged for many seasons without interruption. Nor does the Central interrupt completely its operations in the interval between milling seasons; the office and sales force are maintained, precisely because operations are to be later resumed.

That during the temporary layoff the laborers are considered free to seek other employment is natural, since the laborers are not being paid yet must find means of support. A period during which the Central is forced to suspend or cease operation for a time (whether by reason of lack of cane or by some accident to its machinery) should not mean starvation for the employees and their families. Of course, the stopping of the milling at the end of each season, and before the next sugar crop is ready, being regular and foreseen by both parties to the labor relation, no compensation is expected nor demanded during the seasonal layoff.

Neither does the fact that the laborers assent to their medical examination at the beginning of each milling season indicate that a new labor contract is entered into, in the absence of stipulation to such effect. Said examination is in the interest not only of the Central but also of the labor force itself, and is a mere precautionary measure.

The seasonal stoppage of work does not, therefore, negate the reasonable expectation of the laborers to be subsequently allowed to resume work unless there be other justifiable reasons for acting otherwise. We note again that in the Hind case (Hind Sugar Co. vs. C.I.R., L-13364, July 26, 1960) the pronouncement of the Industrial Court that re-employment of the seasonal laborers was discretionary in the employer was not in issue before this Court. All that was declared therein was that the Company should not be compelled to pay for work not done as it would be inconsistent with the C.I.R.'s own pronouncement, the legal correctness of which was not being contested. In Manila Hotel Co. vs. C. I. R., L-18873, September 30, 1963, on the contrary, it was squarely ruled that the employment of the seasonal laborers is not severed, but only suspended, during the seasonal layoff.

In remanding the case to the Court of Industrial Relations for determination whether the Central acted in good faith and the employees should be declared entitled to backpay, and the amount due the latter, this Court took into account that these are matters dependent upon circumstances that the C. I. R. had not previously inquired into, and particularly the requirement of the Industrial Peace Act (Republic Act 875) in its section 5 (c), that where a person is found engaging in any unfair labor practice, the Industrial Court, besides issuing the cease and desist order, must “take such affirmative action as will effectuate the policies of this Act” a rule that implies exercise of judgment and discretion by the Industrial Court, based on facts and considerations not now brought to our attention.

**WHEREFORE**, the Motion for Reconsideration is denied.

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