ChanRobles Publishing Company

SUPREME COURT
EN BANC

SANTOS JUAT,
***Petitioner*,**

-versus- **G.R. No. L-20764**
November 29, 1965

COURT OF INDUSTRIAL RELATIONS, BULAKLAK PUBLICATIONS and JUAN EVANGELISTA,
***Respondents*.**
x--x

D E C I S I O N

ZALDIVAR, *J.*:

This is a Petition for *Certiorari* to Review the Decision dated August 15, 1962 and the resolution en banc dated October 30, 1962, of the Court of Industrial Relations in its Case No. 2889-ULP.

After investigating charges of unfair labor practice filed by petitioner Santos Juat before the Court of Industrial Relations against respondents Bulaklak Publications and its Executive Officer, Acting Prosecutor Alberto Cruz of the Court of Industrial Relations filed a complaint, docketed as Case No. 2889-ULP, charging Bulaklak Publications and/or Juan N. Evangelista of unfair labor practice within the meaning of Section 4(a) subsections 1, 4 and 5 of Republic

Act 875, alleging, among others, that complainant Santos Juat was an employee of the respondent company since August 1953; that on or about July 15, 1960, and on several occasions thereafter, complainant Santos Juat was asked by his respondent employer to join the Busocope Labor Union, but he refused to do so; that respondent employer suspended him without justifiable cause; that two separate cases were filed by complainant against the respondents — one on March 13, 1961 for unfair labor practice, and another on March 18, 1961 for payment of wages for overtime work and work on Sundays and holidays, the filing of which cases had come to the knowledge of the respondents; that on March 15, 1961, respondent employer dismissed him from the service without justifiable cause and that from the time of his dismissal up to the filing of the complaint he had not found any substantial employment for himself.

In their answer, dated August 3, 1961, respondents alleged, among others, that complainant Santos Juat was suspended for cause; that while Case No. 1462-V was filed with the Court of Industrial Relations on March 13, 1961, the same came to the knowledge of respondents only when they received the summons and a copy of the petition on March 24, 1961, and while case No. 2789-ULP was filed on April 3, 1961, the same became known to respondents long after the employer-employee relationship between respondent employer and Santos Juat had been terminated, so that the suspension of the complainant on March 1, 1961 and his subsequent separation from the service were not acts of reprisal because of the filing of those two cases; that it was complainant Juat who had caused his separation when he ignored the letter sent to him by Juan N. Evangelista, executive officer of respondent company, requiring him to report for work; that the principal reason why complainant refused to work with respondent company was because he was occupied with his work in the Juat Printing Press Co. of which he was a stockholder and the treasurer. Respondent company thereby made a counterclaim for damages because of complainant's having filed an unwarranted and malicious action against it.

On August 15, 1962, after hearing, Associate Judge Baltazar N. Villanueva of the Court of Industrial Relations rendered a decision dismissing the complaint but made no pronouncement regarding respondent's counterclaim.

Petitioner filed a motion for reconsideration of the decision, and in a resolution dated October 30, 1962, the Court of Industrial Relations en banc denied the motion for reconsideration. Hence, this petition for certiorari to review said decision and resolution.

The facts of this case may best be gathered from the findings and conclusions of the Court of Industrial Relations in its decision, as follows:

> "On December 1, 1959, a collective bargaining agreement was entered into between the Bulaklak Publications and the BUSOCOPE LABOR UNION, to remain in effect for 3 years, and renewable for another term of 3 years. Section 4 of said agreement contains a closed shop proviso. On December 27, 1960, said Section 4 of said agreement was amended to read as follows:
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>> 'All employees and/or workers who on January 1, 1960 are members of the Union in good standing in accordance with its Constitution and By-Laws and all members who become members after that date shall, as a condition of employment, maintain their membership in the Union for the duration of this Agreement. All employees and/or workers who on January 1, 1961 are not yet members of the Union shall, as a condition of maintaining their employment, become members of such union.'
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> "It is clear that it was by virtue of the above-mentioned closed shop provision of the collective bargaining agreement between the Busocope Labor Union and the Bulaklak Publications that the management of the latter required Santos Juat to become a member of the former. In requiring Santos Juat to become a member of said Union, it was only obeying the law between the parties, which is their collective bargaining agreement.
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> "Because of the refusal of Santos Juat to become a member of said Union, Mr. Juan N. Evangelista, the executive officer of respondent company, suspended him for 15 days. After the expiration of the suspension of Santos Juat, Mr. Evangelista

addressed a letter to the former, ordering him to report back for duty, and in spite of said letter, Santos Juat did not report for work, consequently, Santos Juat was dropped from the service of the company. Juat could afford not to report for duty because he has his own business by the name of JUAT PRINTING PRESS CO., INC. The refusal of Santos Juat to become a member of the Busocope Labor Union as well as his refusal to report for work when ordered by his superior officer, shows the lack of respect on the part of Santos Juat toward his superior officer. With such attitude, the continuation in the service of the company of Santos Juat is indeed inimical to the interest of his employer.

"The charge of complainant to the effect that on March 13, 1961, he filed a petition with this Court against respondent company which was docketed as Case No. 1462-V is of no moment, because according to the decision of the Supreme Court in (109 Phil. 900), Royal Interocean Lines, et al. vs. Hon. Court of Industrial Relations, et al., promulgated October 31, 1960, it was held that an employee's having filed charges or having given testimony or being about to give testimony has no relation to union activities. With respect to Case No. 2789-ULP, Mr. Evangelista stated that he did not know anything about its having been filed in Court."

It is now contended by the petitioner before this Court that:

1. The Court of Industrial Relations erred, or committed a grave abuse of discretion, when it applied to the petitioner the collective bargaining agreement with close shop proviso between the respondent Bulaklak Publications and the Busocope Labor Union, he being an old employee;

2. The Court of Industrial Relations erred or committed a grave abuse of discretion, in holding that the respondent Bulaklak Publications did not commit unfair labor practice when it dismissed petitioner for his refusal to join the Busocope Labor Union; and

3. The Court of Industrial Relations committed a grave abuse of discretion when it dismissed the complaint of petitioner because its allegations are not supported by substantial evidence.

The contentions of the petitioner are without merit. The closed- shop proviso in a collective bargaining agreement between employer and employee is sanctioned by law. The pertinent provision of the law, in this connection, says:

> "Provided, that nothing in this Act or in any Act or statute of the Republic of the Philippines shall preclude an employer from making an agreement with a labor organization to require as a condition of employment membership therein, if such labor organization is the representative of the employees as provided in said section twelve." (Section 4, subsection [a] par. 4 of Republic Act No. 875, known as the Industrial Peace Act).

The validity of a closed-shop agreement has been upheld by this Court. In one particular case this Court held:

> "There is no need for us to take sides and give reasons because our Congress, in the exercise of its policy-making power, has chosen to approve the closed-shop, when it legalized in Sec. 4, subsection (a) paragraph 4 of Republic Act 875 (Magna Carta of labor) 'any agreement of the employer with a labor organization requiring membership in such organization as a condition of employment', provided such labor organization properly represents the employees" (National Labor Union vs. Aguinaldo's Echague, et al., G.R. No. L-7385, May 31, 1955.)

The foregoing pronouncement of this Court had been reiterated in the cases of Tolentino, et al. vs. Angeles, et al., 99 Phil. 309; Ang Malayang Manggagawa Ng Ang Tibay Enterprises, et al. vs. Ang Tibay, et al. G. R No. L-8259, Dec. 23, 1957; Confederated Sons of Labor vs. Anakan Lumber Co., et al., 107 Phil. 915; Bacolod-Murcia Milling Co., et al. vs. National Employees Workers Security Union, 53 Off. Gaz., 615.

A closed-shop agreement has been considered as one form of union security whereby only union members can be hired and workers must remain union members as a condition of continued employment. The requirement for employees or workers to become members of a union as a condition for employment redound to the benefit and advantage of said employees because by holding out to loyal members a promise of employment in the closed-shop the union wields group solidarity. In fact, it is said that "the closed-shop contract is the most prized achievement of unionism" (National Labor Union vs. Aguinaldo-Echague, Inc., et al., supra).

Coming now to the closed-shop proviso of the collective bargaining agreement between the respondent Bulaklak Publications and the Busocope Labor Union, it is clearly provided that "All employees and/or workers who on January 1, 1961 are not yet members of the Union shall, as condition of maintaining their employment, become members of such Union". The question now before Us is whether the above-quoted proviso of the said collective bargaining agreement applies to the petitioner Santos Juat. The contention of said petitioner is that the said proviso cannot apply, and should not be applied, to him because he is an old employee of the Bulaklak Publications. It is not disputed that petitioner had been employed with the Bulaklak Publications since 1953, and the collective bargaining agreement embodying the closed- shop proviso in question was entered into only on December 1, 1959 and amended on December 27, 1960. It has been established, however, that said petitioner was not a member of any labor union when that collective bargaining agreement was entered into, and in fact he had never been a member of any labor union.

This Court had categorically held in the case of Freeman Shirt Manufacturing Co., Inc. et al. vs. Court of Industrial Relations, et al., 110 Phil. 962, that the closed-shop proviso of a collective bargaining agreement entered into between an employer and a duly authorized labor union is applicable not only to the employees or laborers that are employed after the collective bargaining agreement had been entered into but also to old employees who are not members of any labor union at the time the said collective bargaining agreement was entered into. In other words, if an employee or laborer is already a member of a labor union different from the union that entered into

the collective bargaining agreement with the employer providing for a closed-shop, said employee or worker cannot be obliged to become a member of that union which had entered into a collective bargaining agreement with the employer as a condition for his continued employment. This Court in that Freeman case made this clear pronouncement:

> "The closed-shop agreement authorized under Sec. 1 sub-section a(4) of the Industrial Peace Act above-quoted should, however, apply only to persons to be hired or to employees who are not yet members of any labor organization. It is inapplicable to those already in the service who are members of another union. To hold otherwise, i. e., the employees in a company who are members of a minority union may be compelled to disaffiliate from their union and join the majority or contracting union, would render nugatory the right of all employees to self-organization and to form, join or assist labor organization of their own choosing a right guaranteed by the Industrial Peace Act (sec. 3, Rep. Act No. 875) as well as by the Constitution (Art. III, sec. 1 [6]).
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> "Section 12 of the Industrial Peace Act, providing that when there is reasonable doubt as to who the employees have chosen as their representative the Industrial Court can order a certification election, would also become useless. For once a union has been certified by the court and enters into a collective bargaining agreement with the employer a closed-shop clause applicable to all employees be they union or non-union members, the question of majority representation among the members would be closed forever. Certainly, there can no longer exist any petition for certification election, since eventually the majority of contracting union will become a perpetual labor union. This alarming result could not have been the intention of Congress. The Industrial Peace Act was enacted precisely for the promotion of unionism in this country." (Italics supplied)

The above-quoted ruling was re-affirmed by this Court in its decision in the case of Findlay Miller Timber Co. vs. PLASLU et al., G.R. Nos. L-18217 & L- 18222, Sept. 29, 1962.

It should be declared, therefore, as a settled doctrine, that the closed-shop proviso of a collective bargaining agreement entered into between an employer and a duly authorized labor union applies, and should be applied, to old employees or workers who are non-members of any labor union at the time the collective bargaining agreement was entered into. In other words, the old employees or workers can be obliged by his employer to join the labor union which had entered into a collective bargaining agreement that provides for a closed-shop as a condition for his continuance in his employment, otherwise his refusal to join the contracting labor union would constitute a justifiable basis for his dismissal.

It being established by the evidence that petitioner Santos Juat, although an old employee of the respondent Bulaklak Publications, was not a member of any labor union at the time when the collective bargaining agreement in question was entered into he could be obliged by the respondent Bulaklak Publications to become a member of the Busocope Labor Union. And because petitioner Santos Juat refused to join the Busocope Labor Union respondent Bulaklak Publications was justified in dismissing him from the service on the ground that he had refused to join said union.

We, therefore, hold that the respondent Court of Industrial Relations did not err, nor did it commit a grave abuse of discretion, when it decided that the respondent Bulaklak Publications did not commit unfair labor practice when it dismissed petitioner because of his refusal to join the Busocope labor union. Moreover, as found by the respondent Court of Industrial Relations, petitioner Santos Juat had furnished another ground for his dismissal — and that was because he refused to return to work after the end of his suspension even when he was ordered to do so by his employer, the respondent Bulaklak Publications. The respondent Court of Industrial Relations further found that the reason why the petitioner did not want to return to work was because he was already working in his own establishment known as the "Juat Printing Press Co. Inc." of which he was a stockholder and the treasurer.

Neither did the respondent Court of Industrial Relation commit a grave abuse of discretion when it dismissed the complaint on the

ground that the petitioner had not adduced substantial evidence to support the allegations in the complaint. We have carefully examined the records, and We believe that the factual findings of the respondent court should not be disturbed.

IN VIEW OF THE FOREGOING, the decision and resolution appealed from are affirmed, with costs against the petitioner.

Bengzon, *C.J.*, Bautista Angelo, Concepcion, Reyes, Dizon, Regala, Makalintal and Bengzon, *JJ.*, concur.
Barrera, *J.*, took no part.

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