

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT  
EN BANC**

**KAPISANAN NG MGA MANGGAGAWA  
SA ALAK (NAFLU),**

*Petitioner,*

*-versus-*

**G.R. No. L-23714  
June 30, 1970**

**HAMILTON DISTILLERY COMPANY  
and THE COURT OF INDUSTRIAL  
RELATIONS,**

*Respondents.*

X-----X

**DECISION**

**BARREDO, J.:**

Appeal from two Resolutions En Banc of the Court of Industrial Relations denying, in effect, two motions, the first of twenty-one members, in their own respective individual right, of the petitioner union and the second of the union as such, to reopen the case of unfair labor practice originally filed by said union, through its former set of officers and counsel, purportedly "for the implementation of (the) decision" of this Supreme Court of October 30, 1962 in G.R. No. L-18112, entitled "Kapisanan ng mga Manggagawa ng Alak (NAFLU) vs. Hamilton Distillery Company, et al.," the dispositive part of which reads thus:

“WHEREFORE, the decision appealed from is hereby reversed and another one shall be entered ordering the Company to cease and desist from further unfair labor practices, to pay the members of the NAFLU who had been discriminated against the difference between the compensation actually paid to them and that which they would have received had there been no discrimination, and to reinstate the employees named above, with back wages from the time of their dismissal until their actual reinstatement, with all of the rights and privileges appertaining thereto, as well as to pay the costs.

“IT IS SO ORDERED.”

In substance, the main ground for the denial of said motions is that after the above judgment became final and executory and the proceedings for its execution were being undertaken, the case was completely terminated when the union entered into a compromise agreement with respondent company as follows:

#### “PARTIAL AMICABLE SETTLEMENT

“COME NOW the petitioner and the respondents in the above entitled case, assisted by their respective undersigned Counsels and before this Honorable Court, respectfully manifest their having entered into an Amicable Settlement as follows to wit:

- “1. That the parties hereby respectfully move for the dismissal of any all claims for BACKPAY, and for acts of discrimination (Financial aspect), rendered in this case, on the ground that the parties herein have already settled their differences amicably and that they are no longer interested in prosecuting their respective claims on this matter;
- “2. That the respondent hereby binds itself to admit any or all members of the petitioner union ordered by the Honorable Supreme Court in G. R. No. L-18112 to be reinstated in respondent’s employ, and who may still want to return back to work notwithstanding that this

matter is still pending determination by the Honorable Court;

- “3. That the respondent company hereby binds to give continuous work of six (6) days a week to all members of both the unions existing in the respondent company in so far as they are financially capable to do so, and in all cases, to observe justice and equal treatment to all of its employee irrespective of union membership;
- “4 .That should respondent sell any or all of its rights, interests and participations in the Hamilton Distillery Company, the respondent company hereby binds itself that all the above preceding agreements shall be incorporated in their Deeds of Sales and become a part of the conditions hereof;
- “5. That any or all court fees that may be assessed in the premises shall be borne by the respondent exclusively;

“WHEREFORE, it is respectfully prayed that the foregoing Amicable Settlement be approved by the Honorable Court.

“Manila, Philippines, December 24, 1963.

KAPISANAN NG MGA  
MANGGAGAWA NG ALAK  
SA HAMILTON

HAMILTON DISTILLERY  
COMPANY

By:

*(Sgd.)*  
FRANCISCO DUMLAO

By:

*(Sgd.)*  
MARIANO ANG ENG

HAMILTON WORKERS' UNION

By:

*(Sgd.)*  
VALENTINO KAW  
*President*

Assisted by:

OLIVEROS  
AND MALLARE

LOPEZ, DE JOYA, HERMOSO  
& DIMAGUIO

By:

*(Sgd.)*  
FEDERICO B. OLIVEROS  
Counsel for the Petitioner  
Rm. 405 Laperal Bldg.  
865 Rizal Ave., Manila

By:

*(Sgd.)*  
DELIA L. HERMOSO  
Counsel for Respondents  
424 Regina Bldg.  
Escolta, Manila”

which agreement was approved by the trial judge in an order worded thus:

“O R D E R

“On December 26, 1933 counsel of both parties filed a PARTIAL AMICABLE SETTLEMENT, on the grounds that the parties have already settled their differences amicably and that they are no longer interested in prosecuting their respective claims on this matter, and prayed that the said AMICABLE SETTLEMENT be approved by this Court.

“After due perusal of the pleading submitted jointly by counsel of both parties, the court finds that it is a complete amicable settlement of the respective claims of the parties on this matter.

“The reasons for the amicable settlement by the parties, not being contrary to law, morals or public policy, said settlement is hereby APPROVED.

“IN VIEW THEREOF, this case is hereby declared closed and terminated.

SO ORDERED.”

hence the case can no longer be reopened even under section 17 of Commonwealth Act 103 which reads as follows:

“SEC. 17. Limit of effectiveness of award. — An award, order or decision of the Court shall be valid and effective during the time therein specified. In the absence of such specification, any party or both parties to a controversy may terminate the effectiveness of an award, order or decision after three years have elapsed from the date of said award, order or decision by giving notice to that effect to the Court: Provided, however, That at any time during the effectiveness of an award, order or decision, the Court may, on application of an interested party, and after due hearing, alter, modify in whole or in part, or set aside any such award, order or decision, or reopen any question involved therein.”

The developments that led to this appeal are the following:

After Judge Bautista issued the above-quoted order dated December 28, 1963 approving the compromise agreement and declaring Case No. ULP-1454 closed and terminated, on January 26, 1964, twenty-one (21) of the forty-nine (49) members of the union who had filed the original unfair labor practice case, filed in their own individual names and thru new counsel, the first motion referred to at the outset of this decision, as follows:

“INCIDENTAL MOTION TO REOPEN CASE FOR  
IMPLEMENTATION OF DECISION

COME NOW the undersigned Petitioners, as members of the complainant in the above-entitled case, through their undersigned counsel, and to this Honorable, respectfully state:

“1. That in the above-entitled case a decision of the Supreme Court was promulgated in G. R. No. 18112 on December 20, 1962 dispositive part of which states as follows:

“WHEREFORE, the decision appealed from is hereby reversed, and another one shall be entered ordering the Company to cease and desist from further unfair labor practice, to pay the members of the NAFLU who had been discriminated against the difference between the

compensation actually paid to them and that which they would have received had there been no discrimination, and to reinstate the employees named above, with back wages from the time of their dismissal until their actual reinstatement, with all of the rights and privileges appertaining thereto, as well as to pay the costs.

‘IT IS SO ORDERED.’

reversing the decision of the Trial Court in this case of December 29, 1960 which states as follows:

‘IN VIEW OF ALL THE FOREGOING CONSIDERATIONS the above-entitled complaint is hereby dismissed.

“2. That based on the decision of the Supreme Court, above-cited which was remanded to in this Honorable Court for execution, this Honorable Court ordered an Examiner of this Court to make the computation of the back wages due the employees involved in this case and in a Report rendered by the Examiner on June 20, 1963, the total amount of back wages due the employees concerned amounts to P328,802.00 representing the back wages from October 28, 1947 to March 4, 1963 due from the respondent company for payment to the members of complainant in this case.

“3. That when said Report of the Examiner was set for hearing a Manifestation of counsel for complainant, dated November 15, 1963 was filed objecting to the amount of computation of the Court Examiner, and in lieu thereof submitted a counter proposal granting the employees involved in this case, numbering forty-nine (49) persons the amount of P2,352.00 each as back wages;

“4. That before this Honorable Court however, could act on the Report of the Examiner as well as on the Manifestation of the respondent, a Motion to Dismiss the complaint was filed by both parties on December 24, 1963 and approved recently, in an

Order of this Honorable Court, in the above-entitled case on December 28, 1963.

“5. That said Motion to Dismiss was without the knowledge of most of the members of complainant union and specially the petitioners in this case, whose names and signatures appear in the attached authorization Annex ‘A’ of this Motion and made a part hereof, and who have signed said authorization to the undersigned to act in their behalf on this Matter, for the reopening of this case under section 17 of Act 103, for the purpose of implementing or executing the decision of the Supreme Court above-cited so that the Petitioners can receive the amount due them under this case as per computation of the examiner of this Court of June 20, 1963, since the benefit of back wages under said computation of the Court Examiner has been denied them up to now.

“WHEREFORE, it is respectfully prayed that the above-entitled case be reopened by this Honorable Court for the purpose of implementing the decision of the Supreme Court in this case, by paying the petitioners herein the amount due them under said case based on the computation of the Examiner of this Court of June 20, 1963.

“Manila, Philippines, January 26, 1964.

Copy furnished:

(Sgd.)  
GREGORIO E. FAJARDO  
Counsel for Petitioners  
Rm. 311 Palomo Building  
Recto Avenue, Manila

OLIVEROS & MALLARE  
(for Petitioners)  
405 Lopez Bldg.  
865 Rizal Avenue, Manila

Manila

January, 1964

SA KINAUKOLAN:

“Kaming mga nakalagda sa ibaba nito na mga manggagawa sa Hamilton Distillery ay di sumasangayon sa kinalabasan ng aming usapin Bilang 1454-ULP Hukumang Industrial at nais namin na ipatupad ang naging pasiya o hatol ng Kataastaasang Hukuman at mabayaran kami sangayon sa kinalabasan ng pagsusuri ng ‘Economist & Examiner’ ng Hukumang Industrial na ibinatay sa nasabing pasiya o hatol ng Kataastaasang Hukuman.

“At aming pinahihintulotan ang manananggol na si Gregorio Fajardo na siyang kumakatawan sa paghahabol na ito sa Hukuman.

Cirilo Liatigue  
Severino Martin  
Norma Masiglat  
Angelina Montealegre  
Norma Masiglat  
Angelina Montealegre  
Roman Mendoza  
Filomena Castraneo  
Roman Mendoza  
Filomena Castraneo  
Flavia Esquivel  
Felicisimo Reyes  
Flavia Esquivel  
Avelina Maureza  
Eleanora Reyes  
Avelina Maureza  
Vicente Santos  
Simplicio Avinante  
Vicente Santos  
Leda Vigo  
Glecerio Belarmino

Manuel Montevirgen  
Laura Yumol  
Antonino M. Ignacio  
Corazon Cabarrubias  
Jorge Martin

This motion was opposed not only by the respondent company but also by the union, thru its counsel then, Atty. Federico B. Oliveros. The latter's opposition alleged:

"3. That it specifically DENIES the allegations contained in paragraphs 4 and 5 of the motion, the same being legally unfounded for the following arguments:

"A. That the acceptance of the Compromise Agreement for the settlement of the financial disputes between the herein parties were entered into after a valid meeting among the members of the petitioner union, and, wherein such meeting, it was unanimously agreed to accept the offered terms of the respondent and, that for the reasons set forth in the agreement entered into by the petitioners and the respondent in this case dated December 24, 1964, a photostat copy thereof is, hereto attached as Annex 'A', and made an integral part of this opposition, conclusively terminated this case. As such, the said Compromise Agreement is valid and conclusive upon all the parties thereto (Art. 2154, 2028, and 2037, N.C.C.; Gozon vs. Republic, 47 O.G. 699, Aug. 25, 1949, G. R. No. L-2826; Serrano vs. Cabrera, 49 O.G. 3854, Sept. 21, 1953, No. L-5189; Sajona vs. Sheriff of Manila, G. R. No. L-5603, Aug. 24, 1954; and Mercador vs. Manila Polo Club, 52 O.G. 7272, G.R. No. L-8373, Sept. 28, 1956);

"B. More so in this case, when the said Compromise Agreement has been extended judicial sanction pursuant to Order of the Honorable Court dated December 28, 1963. For which reason, the said agreement becomes immediately executory and legally constitutes a waiver of an appeal (De los Reyes vs. Ugarte, 75 Phil. 505);

“C. Moreover, the alleged members of the petitioner union who were signatories in the questioned motion, by their receipt and acceptance of the amount given them by the respondent company, expressly waived whatever rights and interests they have in the premises. Their acceptance of the amount, partly as they may now allege, is evidenced by a photostat copy of the arguments that they have signed in the premises and is hereto attached and made an integral part of this opposition as Annex ‘B’. The case being so, there being nothing in the motion to warrant any reversal, the said agreement is valid and binding to the alleged members impugning the agreement already entered into in the premises (Art. 1306, Art. 1159, C.C.; Hanlon vs. Hauserman & Beam, 41 Phil. 276). Furthermore, the signatories to the questioned motion by their acceptance of the payments given them pursuant to their claim as hereinable clearly shown, is legally estopped to reopen the said case (Art. 1431, C.C.)”

The Annex “A” referred to reads:

“Manila, Philippines

Deciembre 24, 1963

“DALAWAMPUNG LIBONG PISO (P20,000.00)

“KAMI, na nakalagda sa ilalim nito ay nagpapatunay na ngayong, ika-24 ng Deciembre, 1963, ay tinanggap ang buong ka-parte sa nasabing Dalawampung Libong Piso (P20,000.00), na ibinayad ng Hamilton Distillery Company sa Kapisanan ng mga Manggagawa ng Alak sa Hamilton Distillery (NAFLU), Asunto Numero 1404-ULP, C.I.R. Manila. Na kami ay wala ng paghahabol laban sa nasabing compania tungkol sa asuntong ito.

“Katunayan nito ay aming pinirmahan ang kasulatang ito ng buo naming kasiyahan.

*(Sgd.)*  
AMBOS, AVELINA  
(and the signatures of 48 others)”

Resolving the incident, Judge Bautista granted the motion for reopening on April 17, 1964 in the following order:

“The above-entitled case has been terminated by an Order of this Court of December 28, 1963 based in turn on an agreement filed by the parties, dated December 24, 1963. On January 27, 1964 however, twenty (20) members of complainant filed an Incidental Motion to Reopen the case for the implementation of the decision, through another attorney, not of record, Atty. Gregorio E. Fajardo, basing the Incidental Motion on the provision of Section 17 of Act 103. The Attorney of Record, Federico Oliveros filed his Opposition to the Incidental Motion basing his Opposition on said contract between the parties in the above-entitled case, Annex ‘A’, and also photostatic copy of an alleged agreement of acceptance by said twenty (20) members of the amount corresponding to them as per Annex ‘B’ of said Opposition. On February 10, 1964, respondents filed their Opposition to Motion to Reopen Case for the implementation of decision basing also their Opposition on Annex ‘B’ of complainant’s Opposition and on the allegation that the order of December 28, 1963 has already become final and that Section 17 of Act 103 is no longer applicable in this case.

“From the facts and arguments presented by the parties, including that of the Movants, this Court is of the opinion and so hold:

- “1. That while this Court approved, on December 28, 1963, the amicable settlement of the parties, of December 24, 1968, it was on the assumption that there was no Opposition to said contract, but it now appears that at least twenty (20) members of complainant contend that they have no knowledge of nor consent to said contract, and that the alleged Annex ‘B’ containing their signatures attached to the

Opposition of complainant was secured through fraud, and hence the movants contend that the agreement of the parties on December 24, 1963 was null and void.

- “2. That without deciding for the present, in this Order, as to whether the claims of the movants herein, are true and correct because said claims have not been ventilated in a hearing before this Court, yet this Court, being not only a Court of law but also a Court of equity, appears to be obliged to look deeper into these claims by making a further investigation thereon. After all, such an investigation, will not prejudice the interest of either parties in this case, even if movants can prove their case, therein, because the most that can result in such an investigation against the respondents may be additional payment to movants based on the decision of the Supreme Court in this case, in G.R. No. L-18112, which after all is the original decision promulgated by said Court for compliance by the parties in this case and in so far as the complainant is concerned, compliance with the Supreme Court’s decision by respondents will result in more benefits to its members than what has been provided in the contract of the parties of December 24, 1963.
- “3. That while it may be true that the Order of this Court of December 28, 1963 has become final and the present Incidental Motion was filed only on January 27, 1964, without a previous Motion for Reconsideration of the Order, still the Order is in full effect and Section 17 of Act 103 upon which this incidental Motion is based partly provides as follows:

‘SEC. 17. Limit effectiveness of award. —

Provided, however, That at any time during the effectiveness of an award, order or decision, the Court may, on application of an

interested party, and after due hearing, alter, modify in whole or in part, or set aside any such award, order or decision, or reopen any question involved therein.’ (Emphasis ours)

so that the present Motion is sanctioned by said Section 17 of Act 103 and said provision of law is applicable in the present case. In fact, considering that the agreement of the parties was filed on December 24, 1963 while the Supreme Court’s decision in the above-entitled case was promulgated on October 30, 1962 in G. R. No. L-18112, the filing of the Motion to close this case on December 24, 1963 appears to be contrary to another provision of Section 17 of Act 103 which states as follows:

‘SEC. 17. Limit effectiveness of award. — An award, order or decision of the Court shall be valid and effective during the time therein specified. In the absence of such specification, any party or both parties to a controversy may terminate the effectiveness of an award, order or decision after three years have elapsed from the date of said award, order or decision by giving notice to that effect to the Court.’ (Emphasis ours)

because the effectiveness of the decision of the Supreme Court was being terminated by the parties even before the three (3) years period for the effectiveness of said decision which should terminate only in December, 1965.

“In view of the need for looking into the claims of the movants herein, which if true will affect the validity of the contract of the parties of December 24, 1963, and considering that Section 17 of Commonwealth Act 103 which has been enacted precisely to correct any mistake or injustice in a final, but still effective decision, award or order of this Court, as in the instant case, this Court is of the further opinion and so holds that the Order of December 28, 1963, should be set aside and the case be reopened for the submission of evidence from the parties in support of their respective claims for final determination and action by this Court in this case.

“IN VIEW OF THE FOREGOING, the Order of this Court closing this case, dated December 23, 1963 is hereby set aside and movants Motion to Reopen case should be, as it is hereby, GRANTED.” (Annex H, Petition)

With this order came the turn of the respondent company and the Union to file their motions for reconsideration, which they did on April 24, 1964 and April 28, 1964, respectively. The other party opposed. On July 22, 1964, the respondent court promulgated the first disputed resolution en banc granting these motions for reconsideration, thus setting aside the order of reopening of Judge Bautista. Grounds for this resolution are: (1) “Petitioners do not dispute the fact that they are signatories to the agreement Annex B which settled the above entitled case with the payment of twenty-thousand (P20,000.00) pesos (as well as) what is stated in that agreement that “Kami ay tinanggap ang buong kaparte sa nasabing Dalawampung Libong (P20,000.00) Piso na ibinayad ng Hamilton Distillery Company sa Kapisanan ng mga Manggagawa ng Alak sa Hamilton Distillery Company (NAFLU)“; and (2) “The agreement of December 24, 1963, which is the basic cause for the ‘Partial Amicable Settlement’ that was approved by the Court in its Order of December 28, 1963, shows that the same forty-nine (49) members are all signatories to that Agreement (Annex ‘B’). Of the forty-nine (49) who have settled the case and received payments, only a minority of twenty-one have asked for its reopening. The Agreement being a collective action of all the members, the minority are bound by it, more so when they, as in this case, received payment in consideration and in virtue of the same. The Amicable Settlement is in the nature of a compromise, and the ‘nature of a compromise agreement is such that a party must give up some of the rights that he has, in consideration of the same act on the party of the other side.’ The facts as herein analyzed are similar, if not the same, as the facts obtaining in the Betting Ushers Union (PLUM) case, G.R. No. L-9330, and the Vedasto Jessalva, et. als., cases G.R. Nos. L-11928 – 11930.” Copies of this resolution were received by the respective parties on the same day, July 29, 1964.

On August 6, 1964, herein petitioner (the union under a new set of officers<sup>[1]</sup> and no longer the twenty one [21] members only) filed a so-called “Petition for New Hearing Based on Newly Discovered

Evidence on the Motion to Reopen Case.” Foundation of this motion was that in a meeting of the union, under the new officers, but held after the respondent court’s resolution of July 22, 1964, it was resolved to request Atty. Gregorio E. Fajardo to manifest “in the name of the Union under its new officers and under the new counsel,” that “the Union manifests its objection to said agreement (the Partial Amicable Settlement) and that the Union join in the motion to reopen by the 20 petitioners, on the ground that only the former President, Mr. Francisco Dumlao executed said agreement without the knowledge of the members of the Union,” hence the ruling of the court that only a minority was seeking the reopening of the case could no longer hold. It was also alleged therein that “this action of the complainant was not submitted in the initial stage of the Motion to Reopen because it was but recently approved upon a change of officers of the complainant Union and of its counsel” and that “this motion is based on Rule 40 of the Rules of Court for a new hearing or new trial.<sup>[2]</sup>

On October 7, 1964, respondent court denied this petition in the second disputed en banc resolution, holding that (1) a motion for new trial can be filed only against an order or judgment of a trial judge, and not of the court en banc; (2) the evidence offered was not newly discovered, since it came into existence only after the resolution of July 22, 1964 and was an “afterthought” evidence intended to “cure or remedy that which the court en banc had ruled was not sufficient to offset the legal effect of the compromise which settled the case”; and (3) “the said evidence is intended to undo that which the complainant union through its former president and the whole membership did when they entered into the compromise agreement, for which they’ received payment in consideration and in virtue of the same.’, simply because complainant union is now led by a new set of officers. And for a reason, movants claimed.’ That we did not know anything about the agreement entered by FRANCISCO DUMLAO. And we are fooled by him in signing the contract.’ (Annex ‘A’). A reading of the Resolution of July 22, 1964, will show that this issue has already been squarely resolved.” It thus appears that while the respondent court considered that it was against its policy not to entertain motions for reconsideration of en banc resolutions, nevertheless, it passed on the merits of petitioner’s latest motion.

As stated in the opening paragraph of this decision, petitioner has appealed to this Court from the above en banc resolutions of July 22, 1964 and October 7, 1964 of respondent court. According to petitioner:

#### “The Main Issue

“The main issue in the present appeal of the Petitioner Union to this Honorable Supreme Court of the Resolution of the respondent Court in banc of July 22, 1964 Annex ‘L’ as well as its Resolution of October 7, 1964 Annex ‘N’ is whether section 17 of Act 103 is applicable to the facts and circumstances of Case No. 1454-ULP of said Court and which issue has given rise to the above 4 legal questions raised in this appeal.”

The legal questions being referred to above are:

“A. In the face of the mystery surrounding the acceptance by the former President of Petitioner Union of the amount of only P20,000.00 out of a claim of P320,789.50 as per Examiner’s report and a counter-offer of P127,647.50 contained in the Manifestation of respondent company Annex ‘C’ which movants for the Reopening of Case No. 1454 of the respondent Court asserted to be prejudicial to their interest and an injustice on their part, can the respondent Court refuse to apply Section 17 of Commonwealth Act 103 for the reopening of said Case No. 1404 as prayed for by the movants in Annex ‘F’ on the allegation in the Resolution of the Respondent Court of July 22, 1964, (1) that the movants are in the minority, (2) that they have not denied the signatures to their share of the P20,000.00 payment made by the respondent company to the herein petitioner in the alleged contract between the parties and (3) that the dismissal of the case was legal citing the doctrine in ‘Betting Ushers Union (PLUM) case, G. R. No. L-9330, and the Vedasto Jesalva, et als., cases, G. R. Nos. L-11928-11930?”

“B. Is it necessary for a party who has been prejudiced under a Final Decision rendered by the respondent Court to be in the majority to entitle said party to the benefits of the provision of Section 17 of Commonwealth Act 103 as interpreted by the respondent Court in its said Order of July 22, 1964 Annex ‘L’ and even granting, without admitting, the correctness of said interpretation, did not the respondent Court of Industrial Relations committed a grave abuse of discretion in refusing to grant the Motion for New Hearing of petitioner filed already in the name of full membership of petitioner union Annex ‘M’ precisely in compliance with said Resolution of the Court in banc and for the correction of the alleged defect of the minority movants? and

“C. In the face of the allegation in the Motion to Reopen of movants or of the petitioner union in this Case under Section 17 of Commonwealth Act 103 that the alleged contract between the parties which provided the basis for the Order dismissing said case of Presiding Judge Bautista of December 26, 1963 was not known to the members of the petitioner union and that their signatures were gathered under fraud and misrepresentation which are grounds for rescission of contracts under the Civil Code, did not respondent Court of Industrial Relations committed again a grave abuse of discretion or even a violation of the provision of the Civil Code in refusing to reopen the case under Section 17, of Commonwealth Act 103 for verification of petitioner union’s allegations and for remedial action provided by said Section 17 if warranted by proof submitted in a hearing of the case?

“D. Can a case which has already been under final judgment or decision of the respondent Court, as in case No. 1454-ULP as well as by this Honorable Supreme Court under G. R. No. 18112 be validly dismissed by agreement of the parties to the case and thus terminate the effectivity of the final decision even when the 3-year period allowed by Section 17 of Commonwealth Act 103 for the effectivity of a decision of the respondent Court has not yet expired as was done by the parties in this case even if the case was dismissed by the Union and sanctioned by the respondent in its said Resolution Annex ‘L’ of July 22, 1964 by

citing the case of ‘Betting Ushers Union (PLUM) case, G. R. No. L-9330 and the Vedasto Jesalva, et al., cases, G. R. Nos. L-11928-11930’, in its said Resolution?”

We have taken pains to recite in detail the material facts and circumstances of this case because, as this is a labor case and We find this appeal to be without sufficient merits, We can do no less than lay down clearly and as exhaustively as possible the bases of Our judgment. The Constitution of the Philippines ordains that “the State shall afford protection to labor” (Sec. 6, Art. XIV) and Article 24 of the Civil Code enjoins that “in all contractual, property or other relations, when one of the parties is at a disadvantage on account of his moral dependence, ignorance, indigence, mental weakness, tender age or other handicap, the courts must be vigilant for his protection.” More often than not labor is in such disadvantageous position. This is not saying that other cases deserve less attention and consideration, but where labor has to suffer an unfavorable judgment, it is best that there be no silent premises. It is but consonant with the solicitous concern for the interest of labor embodied in the constitutional and statutory principles just quoted that if the courts find themselves in no position under the law to grant what labor seeks, the reason or reasons for such a conclusion should at least appeal in black and white so that everyone may understand them. There is, indeed, more reason to adhere to these views in this case where there is a strong suggestion that the parties interested in this appeal are allegedly victims, not only of respondent company but, what is worse, by the former officers and counsel of petitioner Union, who had entered into a compromise agreement allegedly disadvantageous to the monetary interests of its members.

Upon this background of facts and considerations, the position of petitioners is substantially as follows:<sup>[3]</sup>

1. The respondent court erred in not giving them the opportunity contemplated in Section 17 of Commonwealth Act 103, to prove, even after the finality of a judgment approving the compromise in question, that said compromise “was not known to them and that their signatures (thereon) were gathered under fraud and misrepresentation,” only because they are in the minority in

the union and they did not deny their signatures in the said compromise, considering, specially, that their total claim for back wages could amount to P320,789.550, as allegedly reflected in the court examiner's report or, at least, P127,647.50, as allegedly contained in the counter-offer made by respondent company, and, on the other hand, the only compromise settlement of their claim respondents could show was for more than P20,000;

2. The respondent court erred even more when it maintained its refusal to reopen the case even after petitioners had filed a motion for new trial "in the name of the full membership of the petitioner-union;" and
3. The approval of the compromise in question to terminate the case before the expiration of three years from October 30, 1962, the date of the decision of this Court in the main unfair labor practice case, was illegal and contrary to the provisions of the same Section 17 of Com. Act 103.

No doubt, these issues are impressive and would connote a clear injustice, if the circumstances alleged were true, but a careful review of the records does not bear out the accuracy of the premises of petitioners' grievances.

In the main, what petitioners are here urging is exactly what the reversed order of Judge Bautista of April 17, 1964 contemplated. The said order disposed that "in view of the need for looking into the claims of the movants herein, which if true, will affect the validity of the contract of the parties of December 24, 1963 the order of December 28, 1963 should be set aside and the case reopened for the submission of evidence from the parties in support of their respective claims for final determination and action by this Court in this case." As already stated, however, the court en banc viewed the matter differently. Instead of postponing the "looking into the claims of the movants" to await further hearing, it immediately looked into said claims practically on their merits and arrived at the fundamental findings that: (1) petitioners, meaning the individual ones who filed the initial pleading in the incident herein involved, did not deny having signed the compromise agreement; (2) much less did they

deny having received their share of the P20,000 paid by the respondent company in virtue of the said compromise; and (3) said petitioners are only a minority of the original signers of the compromise agreement which was a collective act of the union. These are findings of fact which We are not to take lightly, much less at liberty to disregard. On the contrary, they are binding upon this Court unless clearly shown to be unsupported by substantial evidence. There is no such showing in this case. Consequently, the question before Us now is whether or not in the light of these facts the respondent court committed an error of law in overruling petitioners' persistent efforts to reopen the proceedings.

To resolve this main issue, it may be necessary to also resolve in the same discussion the claim of petitioners that after the respondent court belittled, as it were, their capacity as a minority to secure relief against the finality of the compromise agreement, they tried to ask for a new trial "in the name of the full membership of the petitioner-union and still the respondent court remained adamant in refusing to reopen the case. The points related to these two matters are so intertwined that to discuss them separately may unduly extend this opinion and perhaps, even make the discussion repetitious.

Petitioners' motion for new trial was denied by respondent court in its order reading as follows:

"There is no question that this Motion seeks for the reconsideration of the en banc Resolution of July 22, 1964. This was even admitted by Atty. Fajardo at the hearing on August 27, 1964 (pp. 29 to 30, t.s.n., August 27, 1964). It is however, the policy of the Court sitting en banc not to entertain such kind of motions, having consistently ruled that only decisions and/or orders of the trial court may be subjects of a motion for reconsideration. But even as said counsel has himself recognized (p. 30, t.s.n., of August 27, 1964) this to be the policy, still he contends that the motion is cognizable by the Court en banc pursuant to Rule 40 of the Rules of Court.

"This cited Rule of the Rules of Court is not in point, a fact admitted by counsel for movants at the hearing on August 27, 1964, after counsel for respondents pointed out that what

probably was meant was Rule 37 of the Rules of Court. But the provisions of Rule 37 of the New Rules of Court are applicable only to trial courts and not to the Court sitting en banc. Besides, the newly discovered evidence (Annex 'A') relied upon to reopen the case is not such kind of evidence contemplated in Section 1(b) of the said Rule. In the first place, the evidence (Annex 'A') is nothing but an attempt to cure or remedy that which the Court en banc had ruled was not sufficient to offset the legal effect of the compromise agreement which settled the case. It is an 'after-thought' evidence, to say the least. In the second place, the said evidence (Annex 'A') is intended to undo that which the complainant union through its former president and the whole membership did when they entered into the compromise agreement, for which they' received payment in consideration and in virtue of the same,' simply because complainant union is now led by a new set of officers. And for a reason, movants claimed.' That we did not know anything about the agreement entered by FRANCISCO DUMLAO. And we have been fooled by him in signing the contract.' (Annex 'A'). A reading of the Resolution of July 22, 1964, will show that this issue has already been squarely resolved."

Thus, in spite of the policy of the industrial court not to entertain motions for new trial after an appeal from a decision, award or order of a trial judge has been resolved by the court en banc, petitioners' motion was nevertheless acted upon albeit it was found to be without merit as a motion for new trial. In the first place, the court held that the evidence sought to be offered was not "newly discovered" but merely "an 'after-thought' evidence." In the second place, it found that the purpose of the evidence offered was to prove a supposed act "intended to undo that which the complainant union, through its former president and the whole membership, did when they entered into the compromise agreement, for which they' received payment in consideration and in virtue of the same,' simply because complainant union is now led by a new set of officers." It held that the same point had already been "squarely resolved" in the first en banc resolution of July 22, 1964 also here on appeal.

As to the point that the evidence being offered by petitioners in the motion for new trial is not "newly discovered," as such term is

understood in the rules of procedure for the ordinary courts, We hold that such criterion is not binding upon the Court of Industrial Relations. Under Section 20 of Commonwealth Act 103, "The Court of Industrial Relations shall adopt its rules of procedure and shall have such other powers as generally pertain to a court of justice: Provided, however, That in the hearing, investigation and determination of any question or controversy and in exercising any duties and power under this Act, the Court shall act according to justice and equity and substantial merits of the case, without regard to technicalities or legal forms and shall not be bound by any technical rules of legal evidence but may inform its mind in such manner as it may deem just and equitable." By this provision, the industrial court is disengaged from the rigidity of the technicalities applicable to ordinary courts. Said court is not even restricted to the specific relief demanded by the parties but may issue such orders as may be deemed necessary or expedient for the purpose of settling the dispute or dispelling any doubts that may give rise to future disputes. (Ang Tibay vs. CIR., G.R., No. 46496, Feb. 17, 1940; Manila Trading & Supply Co. vs. Phil. Labor, 71 Phil. 124.) For these reasons, We believe that this provision is ample enough to have enabled the respondent court to consider whether or not its previous ruling that petitioners constitute a minority was founded on fact, without regard to the technical meaning of newly discovered evidence. After all, the original motion for reopening was filed in the name of the union. The evidence being offered was for the purpose of showing such capacity. In other words, this is in the nature of a move to show who is the real party-in-interest. Technical objections to matters of this kind have gained no favor from the courts. (Alonso vs. Villamor, 16 Phil. 315; Chua Kiong vs. Whitaker, 46 Phil. 578.)

We deem it, however, that what weighed upon the court a quo is the apparently doubtful evidentiary value of the certification, Annex A of petitioners' motion, and its appealed minutes of an alleged meeting of the union held on August 4, 1964. We have gone over these documents, and apart from the fact that they bear patent earmarks of having been made to order, there is nothing in them that would concretely and clearly prove that as a matter of fact, the majority of the union members were really supporting the request for reopening. Much less is there any faith bearing indication therein that the petitioners had really been fooled by the former officers and counsel

of the union into signing the compromise agreement. The statement in the said minutes that the former President of the union “executed said agreement without the knowledge of the members of the union” cannot obviously stand against undisclaimed signatures of all the members thereon as well as the undenied receipt by them of the consideration therein stated. Besides, it strikes Us as significant that in spite of specific allegations made by the respondents in their pleadings in the court below and here that even the twenty petitioners have already dwindled in number, no denial of any kind whatsoever has been made of such an important assertion.

In other words, in the mind of the respondent court the granting of petitioners’ motion would not alter the result. As We see it, the court, without any dissenting vote, was convinced that petitioners have not been deceived and that the petitioners constituted a minority who could not speak for the union that had entered into the compromise as such. On this premise, it held that under settled precedents the motion for reopening could not legally prosper. We find no error in such holding.

In the case of Filemon Dionela, et al. vs. Court of Industrial Relations, G.R. No. L-18334, August 31, 1963, 8 SCRA 832, Our eminent Chief Justice who, incidentally, was the ponente of the decision in the main case herein involved, spoke for the Court thus:

“The main question for determination in this case is whether the compromise agreement pursuant to which the complaint in Case No. 598-ULP had, inter alia, been withdrawn and then dismissed is binding upon petitioners herein. The latter maintain that it is not, but the lower court held otherwise, upon the ground that ‘it is an accepted rule under our laws that the will of the majority should prevail over the minority’ citing *Betting Ushers Union (PLUM) vs. Jai-Alai*, L-9330, June 29, 1957 and *Jesalva, et al. vs. Bautista*, L-11928 to L-19330, March 24, 1959 — and that the action taken by the petitioners herein as minority members of the Union ‘is contrary to the policy of the Magna Carta of Labor, which promotes the settlement of differences between management and labor by mutual agreements,’ and that if said action were tolerated, ‘no employer would ever enter into any compromise agreement for the

minority members of the Union will always dishonor the terms of the agreement and demand for better terms.’ The view thus taken by the lower court is correct. Indeed, otherwise, even collective bargaining agreements would cease to promote industrial peace and the purpose of Republic Act 875 would thus be defeated.”

In the case cited by the Chief Justice, this Court held:

“Lastly, the parties in the cases which were the subject of the compromise agreement were the Premiere Productions, Inc. and the Union. The Petitioners in these cases are merely members of the Union and are bound by the actions of the Union, that is to say, a majority of the members of the Union. If the petitioners feel that they have been deprived of their personal rights under the judgment that they have obtained, which judgments had become executory, because the sums to which they are entitled under the judgments object of the compromise had been reduced, the remedy does not lie in questioning the validity of the compromise agreement, but in compelling the Union of which they are members to give them a share in the proceeds of the compromise agreement equal or equivalent to that recognized in the judgments.” (Vedasto Jesalva, et al. vs. The Hon. Judge Bautista, et al., 105 Phil. 348, 352-353.)

The same principle was upheld in the other cited case of Betting Ushers Union (PLUM) vs. Jai-Alai Corporation, et al., 101 Phil. 822, 826-27:

“The record shows that the dismissal was decreed upon motion filed by the petitioning union itself, through its board of directors, acting in deference to the wishes of all the members of the union except one as expressed in their resolution. Attys. Rafael and Ilustre tried to show by means of a resolution purportedly signed by 40 members of the union that the said 40 signers had not authorized the dismissal of the case, alleging that the resolution for dismissal had been ‘imposed’ upon them and that they were made to believe that they would be fully paid their claim for minimum wages. But it appears from the sworn

statements of more than three-fourths of the 40 signers of the resolution presented by the attorneys that their signatures were affixed thereto under a misapprehension in that they had been made to believe that the object of the said resolution was only to secure reimbursement for one-half of the cost of their original uniforms, whereas, their real desire was to have the case dismissed because it lacked merit since they were not employees of the corporation. It appearing then that the dismissal was sought by the union itself acting through the instrumentality of its governing body and also in accordance with the wishes of an overwhelming majority of the members of the union, we do not think the lower court abused its discretion or violated any legal rule in dismissing the case. Surely, the will of one or several members of an association cannot be allowed to prevail over the will of the great majority. And it may well be questioned whether Attys. Rafael and Ilustre could still be deemed authorized to ask for a reconsideration of the dismissal after they had been notified by the union that their services had already been dispensed with. It is true that, as already held in several cases, once the case is in court with the requisite jurisdictional number of employees involved, jurisdiction over it is not lost upon the withdrawal of some of those employees from the union. But such is not the situation in the instant case, it not appearing that any of the dissenting members has withdrawn from the union. And as already stated, it was the union itself that asked for the dismissal of the case.”

Indeed, there should be no doubt as to the purpose of Section 17 of Commonwealth Act 103. It is mainly to furnish the parties to a case before the industrial court in which the judgment has already become final the means by which such judgment may be adjusted in order to be consonant with relevant circumstances arising after such finality. It is already settled, however, that it would not be good judicial policy nor conducive to public interest to allow a reopening on grounds related to matters which could have been raised or are necessarily included in those that have been actually raised before the judgment became final. To allow such a procedure would undermine the very nature of the judicial process as a machinery for the final determination of controversies and would correspondingly produce uncertainty and instability in the relations between labor and

management thereby impairing the economy of the country. Of course, before its judgment becomes final, the industrial court has, in the exercise of its quasi-judicial powers, the inherent power to reopen cases on grounds of fraud, accident, mistake, excusable negligence and/or newly discovered evidence. On the other hand, the nature of the functions of the industrial court makes it necessary to leave it free to modify its final awards, decisions or orders whenever subsequent circumstances so demand. The said court fixes the terms and conditions of employment, but as the fairness and adequacy of such terms and conditions are dependent on ever changing economic and social factors, it is only natural and logical that as the arbiter created by law for the purpose, the court should be clothed with the power to make adjustments, even after its judgment is already final, when needed to maintain the harmonious relations between the two economic factors sought to be promoted in its original decision. To this end, the provision in question fixes the periods within which this power of adjustment may be exercised to be: (1) the period agreed upon by the parties for the effectiveness of an award, order or decision, and (2) in case there is no such agreement, before notice has been given by any party or both parties to the court for the termination of such effectiveness, which notice may be given not earlier than three years from the date of such award, decision or order. It goes without saying that the adjustments to be made by the court are to be determined in the same manner as the original award, decision or order.

It is thus clear that the only awards, orders or decisions contemplated in Section 17 are those of such a nature that they are supposed to be carried out within an extended period. We do not believe that said provision contemplates decisions, orders or awards for the outright payment of back wages, as these are expected to be complied with at one time only. Since they are considered to be the equivalent of services supposed to have been already rendered, all that remains after the decision becomes final is for such wages to be computed and paid. Once the amount thereof is determined, the payment can be enforced by execution. There is no possible adjustment that can be envisaged; so if the purpose of the reopening sought is to change or modify the amount, either because it is inadequate or is incorrectly computed, such reopening has to be denied after the judgment, order or award has already become final. All matters regarding adequacy or

correctness of the back-salaries are supposed to be settled before such finality. The exception is when a decision or order is alleged to be the product of extrinsic fraud. In such an eventuality, however, the reopening would depend on the successful showing of the existence of such fraud.

In the present case, it is as if by agreement of the parties, the court had fixed the amount of the back wages herein involved at P20,000. Generally, once said amount is paid, that should be the end of the case. Here, however, it is alleged that the petitioners were fooled into accepting such amount which is more than three hundred thousand pesos less than what was supposedly computed by the court examiner to be due to them and more than one hundred thousand pesos less than the amount allegedly counter-offered by the respondent company. Unfortunately, however, such allegations did not earn the sanction of the respondent court. Going over the records just to see how equitable or otherwise the respondent court's conclusions are, since We have no power to set aside its findings of fact, We find that it was not without basis for such a reaction. According to the said court in its answer, the court examiner's report referred to by petitioners was not yet final and subject to further disposition by the court in view of the numerous objections thereto of respondent company, which objections do appear to Us to be worthy of serious consideration, (See Annex 5, Amended Supplemental Motion for Dismissal), and with respect to the alleged counter-offer of respondent company, the same court also found that there was no such counter-offer and that what respondent had filed was only its manifestation regarding the pay basis that should be used in computing the back wages of petitioners. It is explained that from this pay basis, there are still many substantial deductions that have to be made regarding incomes of petitioners from work in other places, the back wages of those who have already gone abroad as well as those who are no longer willing or are unable to return to work, etc. (Annex C, Petition). Besides, it appears that there were other considerations recited in the compromise agreement aside from the P20,000, such as —

- “2. That the respondent hereby binds itself to admit any or all members of the petitioner union ordered by the Honorable Supreme Court in G.R. No. L-18112 to be reinstated in

respondents' employ, and who may still want to return back to work notwithstanding that this matter is still pending determination by the Honorable Court;

- “3. That the respondent company hereby binds to give continuous work of six (6) days a week to all members of both the unions existing in the respondent company in so far as they are financially capable to do so, and in all cases, to observe justice and equal treatment to all of its employee irrespective of union membership;
- “4. That should respondent sell any or all of its rights, interests, and participants in the Hamilton Distillery Company, the respondent company hereby binds itself that all the above preceding agreements shall be incorporated in their Deeds of Sales and become a part of the conditions hereof; and
- “5. That any or all court fees that may be assessed in the premises shall be borne by the respondent exclusively;  
“(Annex D, Petition)

In others words, the respondent court was of the opinion that in the light of these circumstances, the settlement of P20,000 was not as inadequate as petitioners would make it appear; that, moreover, there were additional substantial considerations offered by respondent company; and that inasmuch as a compromise involves give and take, under the circumstances revealed in this case, the claim of petitioners that they were fooled has not been successfully sustained.

The last question raised by petitioners deserves very little discussion. It is contended that Judge Bautista's order approving the compromise and, by implication, the en banc resolutions reviving the same, are violative of the same Section 17 aforementioned because the effect of such order and resolutions was to terminate the case even before the end of three years from October 30, 1962, the date of this Court's decision in the main unfair labor case. As already explained, the invoked provision can apply only to orders, awards and decisions which need time to implement or which imply an extended period of enforcement, such as one that lays down terms and conditions of

work. Now, as will be noted, the decision of this Court of October 30, 1962 did not lay down any such terms and conditions; all that it ordered was for the respondent company to reinstate all the dismissed members of the union with backpay and for the said respondent to cease and desist from committing the acts of discrimination complained of against said members. As far as reinstatement and backpay are concerned, they were supposed to be implemented immediately. And as to the cease-and-desist-order, this could not have any specific period, for the simple reason that by its nature, it is an ever existing injunction against all employers at all times, whether there is a case or not. In consequence, We hold that obviously, the three-year period mentioned in Section 17 is not applicable to the mentioned decision of this Court even as, perchance, it should apply to the order of Judge Bautista approving the compromise, since, as may be seen from the above-quoted terms approved by said order, the respondent company bound itself to certain conditions which have extended periods of enforceability. Otherwise stated, contrary to the impression of petitioners, the said order of Judge Bautista revived by the en banc resolutions on appeal did not terminate the case between petitioners and respondent company; rather it would precisely serve as the starting point of the applicability of said Section 17.

The foregoing should be sufficient to dispose of this appeal and to justify the affirmance of the decision of the respondent court. It is not amiss, however, to additionally mention one procedural deficiency from which petitioners' last motion for "new trial" suffered. This motion was filed beyond the period ordinarily allowed by the rules of the industrial court for the purpose. According to the record, counsel for petitioners, as well as all the other parties, received notice of the first en banc resolution of respondent court of July 22, 1964 on July 29, 1964. Petitioners' motion in question was filed on August 6, 1964, the eighth day after such notice. The rules of the Industrial Court provide that motions of such nature must be filed within five (5) days only. There is no way of interpreting said rules otherwise. Accordingly, even without going into the merits, the respondent court could have ignored petitioners' motion for new trial, but We deem it unnecessary to make a definite ruling on this point, in view of the above conclusions regarding the merits of petitioners' cause.

Along the same line of reasoning, respondent court as well as respondent company are raising, in their respective answers, the issue that the resolution of respondent court of July 22, 1964 is already final, inasmuch as petitioners' motion for new trial of August 6, 1964 did not suspend the period for filing a certiorari by way of appeal to this Court within the period provided for in Rule 43. On this point, We adhere to the liberality of the law with respect to procedural matters enunciated, as already stated above, in Section 20 of Com. Act 103. It appearing that the respondent court did actually act, for the reasons stated by it, on the merits of the motion for "new trial" of petitioners, We see nothing wrong in holding that motions for new trial or reconsideration of en banc orders, awards and decisions of the Court of Industrial Relations suspend the period for the appeal of the same, provided the said motions are filed within the regular five (5) days period stipulated in its rules. It is when no such motion is filed at all, that the period for appeal to this Court is uninterrupted. It may be suggested, however, that generally, only one such motion may be filed.

**IN VIEW OF ALL THE FOREGOING**, the resolutions appealed from are affirmed, without costs.

**Concepcion, C.J., Reyes, Dizon, Makalintal and Zaldivar, JJ., concur.**  
**Castro, Fernando and Villamor, JJ., concur in the result.**

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## **SEPARATE OPINION**

***TEEHANKEE, J., concurring:***

I concur with the extensive main opinion penned by Mr. Justice Barredo, which expressly finds that "a careful review of the records does not bear out the accuracy of the premises of petitioners' grievances," whereby through a new set of officers and new counsel, a minority of twenty-one out of forty-nine members who all authorized the settlement of their case for reinstatement with back wages (as

decreed by this Court's final decision of October 30, 1962 in G.R. No. L-18112, entitled "Kapisanan ng mga Manggagawa ng Alak (NAFLU) vs. Hamilton Distillery Co., et al.) and who each acknowledged in writing receipt in full of his respective share of the P20,000.00-settlement paid by respondent company under the compromise agreement of December 24, 1963 duly approved by the industrial court, sought to overthrow the very same settlement.

As the industrial court en banc duly heard the parties and "without any dissenting vote, was convinced that petitioners have not been deceived and that the petitioners constituted a minority who could not speak for the union that had entered into the agreement as such" (main opinion, at page 24) the Court's decision affirming the industrial court's en banc resolutions refusing to set aside the settlement and to reopen the case, is fully grounded on the facts and on the applicable law and settled principles, as ably expounded by Mr. Justice Barredo in the main opinion.

Since the present case properly applied the precedents of *Dionela vs. C.I.R.*,<sup>[1]</sup> *Jesalva vs. Bautista*<sup>[2]</sup> and *Betting Ushers Union (PLUM) vs. Jai Alai Corporation*,<sup>[3]</sup> applying the doctrine in labor cases that the will of the majority should prevail over that of the minority, it might be well to point out that the doctrine has been qualified by the Court in two recent decisions, viz., *La Campana Food, Products, Inc. etc. Employees Ass'n. vs. C.I.R.*,<sup>[4]</sup> where the Court disregarded the petitioner union's motion to dismiss a pending appeal on the ground that it was formulating a collective bargaining agreement with the employer in the interest of industrial peace and instead ruled upon the merits of the union's appeal on behalf of twenty-one members who were the parties directly and personally affected by the employer's unfair labor practice and who stood to take tremendous losses and suffer injustice from a dismissal of the appeal, as sought by the union, and *Heirs of T. Cruz, et al. vs. C.I.R., et al.*<sup>[5]</sup>

In the latter case of Cruz, the Court reaffirmed the rationale for the majority rule doctrine that: "the will of the majority must prevail over that of the minority in the process, for 'under the philosophy of collective responsibility, an employer who bargains in good faith should be entitled to rely upon the promises and agreements of the union representatives with whom he must deal under the compulsion

of law and contract. The collective bargaining process should be carried on between parties who can mutually respect and rely upon the authority of each other.” We however expressly qualified the doctrine, pointing out that: “(W)here, however, collective bargaining process is not involved, and what is at stake are back wages already earned by the individual workers by way of overtime, premium and differential pay, and final judgment has been rendered in their favor, as in the present case, the real parties in interest with direct material interest, as against the union which has only served as a vehicle for collective action to enforce their just claims, are the individual workers themselves. Authority of the union to waive or quitclaim all or part of the judgment award in favor of the individual workers cannot be lightly presumed but must be expressly granted and the employer, as judgment debtor, must deal in all good faith with the union as the agent of the individual workers. The court in turn should certainly verify and assure itself of the fact and extent of the authority of the union leadership to execute any compromise or settlement of the judgment on behalf of the individual workers who are the real judgment creditors.”

As indicated hereinabove, and fully discussed in the main opinion, the factual setting of the case at bar rules out the applicability of these latest decisions of the Court.

- 1 According to the petition (par. 12) and it is not denied by the other parties, an election of officers took place sometime in May, 1964; the former ones were changed and so also was the counsel.
- 2 It appears that at the hearing of the petition, counsel corrected the allegation by referring instead to Rule 37 and still later conceded that the petition was virtually a motion for reconsideration of the en banc resolution of July 22, 1964.
- 3 The assignment of errors in the brief of petitioners states:

“I

“THE RESPONDENT COURT ERRED IN ITS INTERPRETATION OF THE REQUIREMENT AS WELL AS THE PURPOSE OF SECTION 17 OF COMMONWEALTH ACT 103 FOR THE REOPENING OF SAID CASE NO. 1454-ULP OF THE RESPONDENT COURT; ON THE OTHER HAND, IT FURTHER ERRED IN CONSTRUING THE PARTIAL AMICABLE AGREEMENT OF THE PARTIES WITHOUT REGARD OR IN VIOLATION OF THE PROVISION OF THE CIVIL CODE IN THE INTERPRETATION OF CONTRACTS’.

II

“THE RESPONDENT COURT OF INDUSTRIAL RELATIONS ERRED IN SETTING ASIDE THE ORDER OF PRESIDING JUDGE JOSE BAUTISTA OF APRIL 17, 1964 ANNEX ‘H’ OF THE PETITION AND IN REFUSING TO APPLY SECTION 17 OF ACT 103 FOR THE REOPENING OF CASE No. 1454-ULP OF THE RESPONDENT COURT IN ITS RESOLUTION OF JULY 22, 1964 ANNEX ‘L’ OF THE PETITION; AND

III

“LASTLY, THE LOWER COURT ERRED IN SUSTAINING THE CLOSING AND TERMINATION OF CASE NO. 1454-ULP IN VIOLATION OF THE PROVISION OF SAID SECTION 17 OF COMMONWEALTH ACT 103 AND IN DENYING THE MOTION FOR NEW HEARING.”

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***TEEHANKEE, J., concurring:***

[1] L-18334, Aug. 31, 1963, 8 SCRA 832.

[2] 105 Phil. 348 (1959).

[3] 101 Phil. 822 (1957).

[4] 28 SCRA 314 (May 22, 1969).

[5] Jointly decided with Lydia Bulos, et al. vs. C.I.R., et al., 30 SCRA 917 (Dec. 27, 1969).

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