SUPREME COURT
EN BANC

LAKAS NG MANGGAGAWANG MAKABAYAN (LMM),
***Petitioner*,**

-versus-

G.R. No. L-29474
December 19, 1970

HON. CARLOS ABIERA, as Presiding Judge of Branch VI, Court of First Instance of Negros Occidental, 12th Judicial District, and FACUNDO TINAMBACAN, DOROTEO PASAPORTE, MARCELO NAVARRO, PATRICIO TRANILLA, FEDERICO SABAY, MANUEL PANES, MCARTHUR MAQUILING, ALFREDO HALLARE, GILBERTO NAVARRO and SANTOS FRANCO, JR.,
***Respondents*.**
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D E C I S I O N

FERNANDO, *J.*:

The respect to be paid a stipulation in a collective bargaining contract, when apparently it came into collision with a statutory right, lay at

the root of the dispute in this certiorari and prohibition proceeding now before this Court. Congress in 1961 amended the pertinent provision of the Industrial Peace Act by exempting from the operation of a closed shop or a union security shop agreement "members of any religious sects which prohibit affiliation of their members in any such labor organization."[1] The above saving clause notwithstanding, petitioner union. Lakas Ng Manggagawang Makabayan (LMM), was able to prevail on the employer, the Marinduque Mining and Industrial Corporation, to terminate the services of private respondents,[2] adherents of the Iglesia ni Cristo sect, one of the tenets of which prohibits membership in any labor organization. To regain their status as such employees, private respondents filed a petition for mandamus with the Court of First Instance of Negros Occidental presided by respondent Judge, the Honorable Carlos Abiera. They sought and were able to obtain a writ of preliminary mandatory injunction, the allegations in their petition having been admitted by petitioner Union as one of the respondents before the lower court, the sole defense interposed being raised by it being the alleged lack of jurisdiction. Thus unsuccessful, petitioner Union elevated the matter to this Court. It raised the same fundamental question, the absence of jurisdiction. We find for petitioner and proceed to explain why.

In the petition filed on September 9, 1968, the main reliance is placed by petitioner Union on a collective bargaining agreement with the employer, the Marinduque Mining and Industrial Corporation, entered into on November 1, 1967 and effective for three years, one of the provisions of which required members of such Union and those who become such thereafter to continue and remain with that status "in good standing on a condition of continued employment."[3] Reference is then made to private respondents having been members of petitioner Union even prior to such collective bargaining agreement.[4] Subsequently, however, on May 7, 1968, to be more precise, and during the effectivity of such collective bargaining contract private respondents tendered their irrevocable resignations as such members and disauthorized the latter to withdraw the check-off of union dues, private respondents relying on their being adherents of the Iglesia ni Cristo sect and therefore falling within the terms of the Republic Act earlier referred to.[5] After failing in its attempts to have them resume their membership, petitioner Union

recommended to the employer their dismissal and such recommendation was carried out "by reason of and [pursuant] to the particular provisions of the existing collective bargaining contract."[6] As a result, private respondents in turn filed a petition for mandamus with preliminary mandatory injunction and damages on July 1, 1968 with the Court of First Instance of Negros Occidental presided by respondent Judge.[7] There was a motion to dismiss and opposition to the issuance of the writ of preliminary mandatory injunction filed by petitioner Union on July 22, 1968.[8] Then came on August 5, 1968 an order granting the prayer for a writ of preliminary mandatory injunction ordering their employer to reinstate private respondents and such writ of preliminary mandatory injunction was accordingly issued on August 8, 1968.[9] There was a motion for the dissolution of such writ but it was denied by respondent Judge. Hence this petition.[10]

This Court in a resolution of September 12, 1968 required respondents to file an answer and at the same time issued a writ of preliminary injunction restraining the enforcement of the challenged order of August 5, 1968 as well as the writ of preliminary mandatory injunction of August 8, 1968 issued pursuant thereto. In the answer filed on October 8, 1968, there was an admission of the facts alleged in the petition except as to allegations "devoid of factual basis" and such as are "legal conclusions of petitioner."[11]

The sole question before this Court then is one of jurisdiction. As stated at the outset, petitioner in the light of the controlling statutory provision could validly impugn the jurisdiction of respondent Judge.

1. It does not admit of doubt that the collective bargaining contract between petitioner and the Marinduque Mining and Industrial Corporation of 1967 must be deemed to have incorporated within its terms the 1961 amendment of the Industrial Peace Act exempting from the operation of a closed shop or a union security shop agreement "members of any religious sects which prohibit affiliation of their members in any such labor organization." If it were not so, then the collective bargaining agreement itself could be properly assailed as the freedom of contract recognized by the Civil Code while it empowers the parties to establish such

stipulations, clauses, terms and conditions as they may deem convenient is limited by the requirement that they should not be "contrary to law."[12] The principle is thus well-settled that an existing law enters into and forms part of a valid contract without the need for the parties expressly making reference to it. Only thus could its validity insofar as some of its provisions are concerned be assured. On the assumption then that private respondents could lay claim to the protection of the above exemption provision, the fundamental question, the only one before this Court, is whether such a statutory right could be vindicated in an ordinary court as was done here or in the Court of Industrial Relations?

2. There can be no dispute as to the answer. Under the Industrial Peace Act, it is made an unfair labor practice for a labor organization, such as petitioner here, "[t]o cause or attempt to cause an employer to discriminate against an employee in violation of subsection (a) (4) or to discriminate against an employee with respect to whom membership in such organization has been denied or terminated on some ground other than the usual terms and conditions under which membership or continuation of membership is made available to other members."[13] Reference is thus made to an earlier subsection of said act making it an unfair labor practice for an employer to discriminate in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization.[14] There is this proviso which as originally worded when the measure was enacted in 1953 reads thus: "That nothing in this Act or in any other 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 section twelve."[15] Then, as was set forth at the outset of this opinion, came the 1961 amendment with members of religious sects as beneficiaries and thus entitled to exemption from a closed shop or a union security shop. It is

an integral part of the section on what constitutes an unfair labor practice.

Under the next section of the Industrial Peace Act, the jurisdiction over an unfair labor practice case, whether on the part of management or of a labor union, is vested with the Court of Industrial Relations. Thus: "The Court shall have jurisdiction over the prevention of unfair labor practices and is empowered to prevent any person from engaging in any unfair labor practice. This power shall be exclusive and shall not be affected by any other means of adjustment or prevention that has been or may be established by an agreement, code, law or otherwise."[16] This Court then ever since the effectivity of such Act has no choice but to adhere to the view that the Court of Industrial Relations and not a court of first instance, is vested with jurisdiction over every kind of an unfair labor practice case.[17] Petitioner must thus be sustained.

3. It only remains to be added that unless the legislative act granting the above exemption to certain religious sects remains unmodified and no challenge is hurled against its validity resulting in its nullification, the parties to any contract must live up faithfully to its terms. It is a fundamental postulate that however broad the freedom of contracting parties may be, it does not go so far as to countenance disrespect for or failure to observe a legal prescription. The statute takes precedence; a stipulation in a collective bargaining must yield to it. That is to adhere to the rule of law.

WHEREFORE, the writ of certiorari is granted annulling the order of respondent Judge of August 5, 1968 granting the prayer of private respondents for a preliminary mandatory injunction as well as the writ of preliminary injunction thereafter issued on the 8th day of August, 1968. Respondent Judge is prohibited from proceeding further with the mandamus petition filed by private respondents which is ordered dismissed. The writ of preliminary injunction issued by this Court under its resolution of September 12, 1968 is made permanent.

Reyes, *Acting C.J.*, Makalintal, Zaldivar, Castro, Teehankee, Barredo and Villamor, *JJ.*, concur.
Concepcion, *C.J.*, Dizon and Makasiar. *JJ.*, are on official leave.

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[1] Republic Act No. 3350 amending paragraph 4, subsection (a) of Section 4 of Republic Act No. 875. The Industrial Peace Act reads as follows: "(4) Provided. That nothing in this 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 Section twelve, but such agreement shall not cover members of any religious sects which prohibit affiliation of their members in any such labor organization."
[2] The private respondents are Facundo Tinambacan. Doroteo Pasaporte, Marcelo Navarro, Patricio Tranilla, Federico Sabay, Manuel Panes, McArthur Maquiling, Alfredo Hallare, Gilberto Navarro and Santos Franco, Jr.
[3] Petition. par. 3.
[4] Ibid., par. 4.
[5] Ibid., par. 5.
[6] Ibid., pars. 6 and 7.
[7] Ibid., par. 8.
[8] Ibid., par. 9.
[9] Ibid., pars. 10 and 11.
[10] Ibid., pars. 12 and 13.
[11] Answer, pars. 1 to 9.
[12] Art. 1306 of the Civil Code provides: "The contracting parties may establish such stipulations, clauses, terms and conditions as they may deem convenient, provided they are not contrary to law, morals, good customs, public order or public policy."
[13] Section 4(b) (2) of the Industrial Peace Act.
[14] Section 4(a) (4), Ibid.
[15] Section 4(a) (4), Ibid.
[16] Section 5(a), Ibid.
[17] Cf. National Labor Union vs. Dinglasan, 98 Phil. 649 (1956); PAFLU vs. Tan, 99 Phil. 854 (1956); Reyes vs. Tan, 99 Phil. 880 (1956); Dee Cho Lumber Workers' Union vs. Dee Cho Lumber Co., 101 Phil. 417 (1957); Phil. Sugar Institute vs. CIR, 106 Phil. 401 (1959); Velez vs. PAV Watchmen's Union, 107 Phil. 689 (1960); Ormoc Sugar Co., Inc. vs. OSCO Workers Fraternity Labor Union, L-15826, Jan. 23, 1961, 1 SCRA 21; National Labor Union vs. Insular-Yebana Tobacco Corp., L-15363, July 31, 1961, 2 SCRA 924; Phil. Am. Cigar & Cigarette Factory Workers Independent Union vs. Phil. Am.

Cigar & Cigarette Mfg. Co., Inc., L-18364, Feb. 28, 1963, 7 SCRA 375; United States Lines Co. vs. Assoc. Watchmen & Security Union, L-15508, June 29, 1963, 8 SCRA 326; Phil. Land-Air-Sea Labor Union vs. Sy Indong Trading Co. Rice & Corn Mill, L-18476, May 30, 1964, 11 SCRA 277; Manila Railroad Co. vs. Kapisanan Ng Mga Manggagawa sa Manila Railroad Co., L-19728, July 30, 1964, 11 SCRA 546; Itogon-Suyoc Mines, Inc. vs. Baldo, L-17739, Dec. 24, 1964, 12 SCRA 599; Visayan Bicycle Mfg. Co., Inc. vs. National Labor Union. L-19997, May 19, 1965, 14 SCRA 5; Magalit vs. CIR, L-20448, May 25, 1965, 14 SCRA 72; Luzon Stevedoring Corp. vs. CIR, L-17411. Dec. 31, 1965, 15 SCRA 660; Industrial-Commercial-Agricultural Workers' Org. vs. CIR, L-21465, March 31, 1966, 16 SCRA 562: Pan Am World Airways, Inc. vs. CIR, L-20434, July 30, 1966, 17 SCRA 813; Rizal Labor Union vs. Rizal Cement Co., Inc., L-19779, July 30, 1966, 17 SCRA 858; Bay View Hotel Inc. vs. Manila Hotel Workers' Union, L-21803, December 17, 1966, 18 SCRA 946; Allied Free Workers vs. Compania Maritima, L-22951-52, Jan. 31, 1967, 19 SCRA 258; Salunga vs. CIR. L-22456, Sept. 27, 1967, 21 SCRA 216; Security Bank Employees Union-NATU vs. Security Bank and Trust Co., L-28536, April 30, 1968, 23 SCRA 503; Federacion Obrera vs. Mojica, L-25059, Aug. 30, 1968, 24 SCRA 936: Veterans Security Free Workers' Union vs. Cloribel, L-26439 Jan. 30, 1970, 31 SCRA 297.