SUPREME COURT
EN BANC

LIBERAL LABOR UNION,
***Petitioner*,**

-versus-

G.R. No. L-4834
March 28, 1952

PHILIPPINE CAN COMPANY,
***Respondent*.**
x----------x

D E C I S I O N

BAUTISTA ANGELO, *J.*:

This is a Petition for Review of a Resolution of the Court of Industrial Relations dated March 14, 1951, declaring illegal the strike staged by the members of petitioning labor union on March 14, 1949, and giving authority to respondent not to hire those responsible for the strike on the ground that petitioner violated the terms of the collective bargaining agreement it concluded with respondent when it failed to submit its grievance, first, to a committee of top officials of both the union and the company and, later, to the Court of Industrial Relations before declaring the strike.

It appears that because of a labor dispute that had arisen between petitioner and respondent a case was filed in the Court of Industrial Relations, which was docketed as case No. 229-V, and, by way of

compromise, a collective bargaining agreement was entered into between them on February 26, 1949. One of the provisions agreed upon therein concerns the procedure that should be followed in the settlement of a labor dispute which in substance consists as follows: If a worker has a complaint the same shall first be submitted to a grievance committee, which shall be composed of six members, three representing the union, and three the company. If the complaint is not satisfactorily settled, it shall next be taken up by the top officials of both the union and the company. And if still no settlement is reached, the matter shall be submitted to the Court of Industrial Relations, which shall determine it in accordance with law.

It likewise appears that on the very day the collective bargaining agreement was concluded, respondent reduced the wages of seven of the laborers of petitioner by P.50. Two days thereafter, petitioner protested this reduction to the assistant manager of respondent, and when the latter intimated that he had nothing to do with it, petitioner reiterated its protest to the general manager who on March 5, 1949, told the protestee to come back because the management would meet to discuss the matter. When the representatives of the union returned days later they were told that the reductions could not be returned because they do not appear in the pay-roll, and that in case the matter would reach the court, the management would deny it. Because of this refusal, and the fact that the matter could not be brought to the grievance committee by reason of the failure of respondent to name its representatives to said committee, after the union had designated the names of those who should compose it in its behalf, the union struck on March 14, 1949. As a consequence, the union filed the petition that initiated these proceedings praying that the strike be declared legal and that respondent be ordered to restore the former rate of wages that the laborers affected were receiving and to refund to them all the reductions that were made in their salaries.

After several days of trial, the case was decided by Hon. Jose S. Bautista, concurred in by Judge Modesto Castillo, who held that the strike was legal and justified because of the failure of respondent to designate its representatives in the grievance committee as provided for in the bargaining agreement; but on motion for reconsideration, said holding was reversed in a resolution issued on March 15, 1951, penned by Presiding Judge Arsenio S. Roldan, and concurred in by

Judges Juan L. Lanting and Vicente Jimenez Yanzon, wherein it was held that the strike was illegal and that the respondent was justified in not continuing in its service those responsible for the strike. Hence this petition for review.

The only issue involved in this appeal refers to the legality of the strike staged by the members of the petitioning union on March 14, 1949.

Petitioner contends that the majority opinion of the Court of Industrial Relations erred in declaring that petitioner had violated the collective bargaining agreement of February 26, 1949, when it declared a strike on March 14, 1949, without first submitting its dispute with respondent to the Court of Industrial Relations, because while it is true that in said agreement a grievance committee was provided for to which any dispute should first be submitted, petitioner could not make use of the procedure agreed upon in view of the failure of respondent to designate its representatives in said committees, as it was done by the labor union, and that because of this failure of the respondent which amounted to an outright violation of the agreement, the union became relieved of its duty to follow the grievance procedure and, therefore, its failure to go to the Court of Industrial Relations before declaring the strike did not amount to a violation of the agreement.

The pertinent provisions of the collective bargaining agreement of February 26, 1949, read as follows:

> "There is hereby created a grievance committee composed of six (6) members, three as representatives of management and three as representatives of the union, all of whom are workers in the company. The matter of discipline, promotion, and other managerial affairs lies in the hands of management, subject to the grievance procedure. Any worker who feels aggrieved on the action taken by the management shall submit his grievance, orally or in writing, to the grievance committee within three days from such action, which committee shall pass upon the grievance within three days upon the submission thereof. Should the grievance be not satisfactorily settled at this stage, it shall be taken up in conference between top management

> officials and top union officials. Should no agreement be reached at this stage, either party shall submit the matter to the Court of Industrial Relations for disposition in accordance with law. It is understood that the members of the grievance committee shall work in company's time, which shall not exceed one hour a day, which altogether shall not exceed seven hours a week. The determination of the time to meet shall be undertaken by the management."

As may be noted, the parties have expressly agreed on a procedure to be followed in the settlement of labor disputes. Under this procedure, the first step to be taken is the creation of a grievance committee composed of six representatives, three from the union and three from the company, to which the grievance must first be submitted. The second step is the submission of the grievance to a conference of top officials of both management and labor, and if the grievance still is not settled, the third step is for either party to submit the grievance to the Court of Industrial Relations for its determination in accordance with law. The parties undoubtedly have adopted this graduated procedure in the settlement of their labor disputes because of their desire to maintain harmonious relations and prevent as much as possible the declaration of a strike which in its last analysis works adversely both to capital and labor.

Having in mind this fundamental point of view, the next question to be determined is, is the strike staged by the members of the petitioning labor union on March 14, 1949, legal and justified? In this respect, we find that the majority opinion of the Court of Industrial Relations has interpreted correctly the import and effect of the procedure for settlement of labor disputes agreed upon by the parties. On this point, the majority opinion said: "Admitting therefore that the respondent company has not yet nominated its three representatives to said grievance body . . . it cannot be denied, too, that the petitioner union, by its strike on March 14, 1949, has acted beyond its bound in the collective bargaining agreement when it failed to submit the workers' grievance to a conference of top management officials and top union officials and on top of all, to the Court of Industrial Relations which has jurisdiction on the subject matter of the dispute". We find this appraisal of the situation correct. As we have already stated, the main purpose of the parties in

adopting a procedure in the settlement of their disputes is to prevent a strike. This procedure must be followed in its entirety if it is to achieve its objective. This procedure provides for three steps which should be resorted to before any other step may be taken for the redress of a particular grievance. It is true that the management has failed to do its duty in connection with the formation of a grievance committee, but this failure does not give to labor the right to declare a strike outright, for its duty is to exhaust all available means within its reach before resorting to force. There is no use providing for these steps if they can be ignored. This is a compulsory arbitration which received the sanction of the court. And if labor chooses not to deal with the management, either because of distrust or prejudice, the other way left to achieve a peaceful settlement of its grievance is to resort to the Court of Industrial Relations. This the union failed to do. The authorities are numerous which hold that strikes held in violation of the terms contained in a collective bargaining agreement are illegal, specially when they provide for conclusive arbitration clauses. These agreements must be strictly adhered to and respected if their ends have to be achieved (Shop N. Save vs. Retail Food Clerks Union (1940) Cal. Super. Ct. CCT. Tab. Case 91-18675; 2 A. L. R. Ann., 2nd Series, pp. 1278-1282).

But in the present case there is more than a mere violation of a collective bargaining agreement. Here we find that the majority opinion predicated the illegality of the strike not merely on the infringement of said agreement by the union but on the proven fact that, in carrying out the strike, coercion, force, intimidation, violation with physical injuries, sabotage and the use of unnecessary and obscene language or epithets were committed by the top officials and members of the union in an attempt to prevent the other willing laborers to go to work. We hold that a strike held under these circumstances cannot be justified in a regime of law for that would encourage abuses and terrorism and would subvert the very purpose of the law which provides for arbitration and peaceful settlement of labor disputes. As aptly said in one case: “A labor philosophy based upon the theory that might is right, in disregard of law and order, is an unfortunate philosophy of regression whose sole consequences can be disorder, class hatred and intolerance” (Greater City Masters Plumbers Association vs. Kahme, [1937] 6 N.Y.S. [2nd] 589).

In view of the foregoing, we are of the opinion, and so hold, that the resolution appealed from is in accordance with law, and should, therefore, be affirmed.

WHEREFORE, the Petition is **DENIED** with costs against petitioner.

Paras, *C.J.*, Bengzon, Padilla, Tuason, Montemayor, Reyes and Jugo, *JJ.*, concur.
