

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT  
FIRST DIVISION**

**NATIONAL CONGRESS OF UNIONS IN  
THE SUGAR INDUSTRY OF THE  
PHILIPPINES (NACUSIP)-TUCP,  
*Petitioner,***

***-versus-***

**G.R. No. 67485  
April 10, 1992**

**DIR. CRESENCIANO B. TRAJANO,  
BUREAU OF LABOR RELATIONS,  
MINISTRY OF LABOR AND  
EMPLOYMENT, MANILA,  
FEDERATION OF UNIONS OF RIZAL  
(FUR)-TUCP AND CALINOG REFINERY  
CORPORATION (NASUREFCO),  
*Respondents.***

X-----X

**DECISION**

**MEDIALDEA, J.:**

This Petition for *Certiorari* seeks to annul and set aside the Decision rendered by the respondent Director Cresenciano B. Trajano of the Bureau of Labor Relations, Ministry of Labor and Employment, dated November 18, 1983 affirming the order of Med-Arbiter Demetrio Correa dated May 2, 1983 giving due course to the petition for

certification election filed by private respondent Federation of Unions of Rizal (FUR)-TUCP; and the order dated March 21, 1984 denying the motion for reconsideration for lack of merit.

The antecedent facts are as follows:

Petitioner National Congress of Unions in the Sugar Industry of the Philippines (NACUSIP)-TUCP is the certified exclusive bargaining representative of the rank and file workers of Calinog Refinery Corporation. Private respondent Federation of Unions of Rizal (FUR)-TUCP is a labor organization duly registered with the Department of Labor and Employment while private respondent Calinog Refineries Employees Union (CREU)- NACUSIP is the certified exclusive bargaining representative of the rank and file workers of the private respondent Calinog Refinery Corporation by virtue of the certification election held on March 30, 1981.

On June 21, 1982, petitioner union filed a petition for deadlock in collective bargaining with the Ministry of Labor and Employment (now Department of Labor and Employment). In order to obviate friction and tension, the parties agreed to submit the petition for deadlock to compulsory arbitration on July 14, 1982 and was docketed as RAB Case No. VI-0220-82.

On July 21, 1982, private respondent FUR-TUCP filed with the Regional Office No. VI, MOLE (now DOLE), Iloilo City a petition for certification election among the rank and file employees of private respondent company, alleging that: (1) about forty-five percent (45%) of private respondent company's employees had disaffiliated from petitioner union and joined private respondent union; (2) no election had been held for the past twelve (12) months; and (3) while petitioner union had been certified as the sole collective bargaining agent, for over a year it failed to conclude a collective bargaining agreement with private respondent company. Petitioner union filed a motion to intervene in the petition for certification election filed by private respondent union.

By order dated July 23, 1982, the Acting Med-Arbiter Pacifico V. Militante dismissed the petition for certification election for lack of merit since the petition is barred by a pending bargaining deadlock.

On August 25, 1982, private respondent union filed an appeal to the Bureau of Labor Relations, Manila.

The Bureau of Labor Relations through respondent Director Cresenciano B. Trajano rendered a decision on September 30, 1982 setting aside the order of the Acting Med-Arbiter and remanding the case to Regional Office VI, Iloilo City for hearing and reception of evidence.

On May 2, 1983, Honorable Med-Arbiter Demetrio Correa issued an order in RD Case No. 4293 giving due course to the petition of private respondent FUR-TUCP and ordering that an election be held within 20 days from receipt of the order.

From the order of Med-Arbiter Correa, petitioner interposed an appeal to the Bureau of Labor Relations.

During the pendency of the appeal or on September 10, 1983, a collective bargaining agreement was entered and executed by the management of the National sugar Refineries Co., Inc. and petitioner union and was subsequently ratified by a majority of the rank and file employees. On the basis of the concluded CBA, the Honorable Executive Labor Arbiter Celerino Grecia II issued an award dated September 12, 1983 adopting the submitted agreement as the CBA between the parties.

On November 18, 1983, respondent Director Trajano rendered a decision affirming with qualification the order of Med-Arbiter Correa dated May 2, 1983, the pertinent portions of which provide as follows:

“It appears that the Calinog Refinery Employees Union-NACUSIP-TUCP no longer commands the support of the majority of the employees. This observation is buttressed by the fact that more than seventy five percent (75%) of the workers have disaffiliated from the intervenor and joined the ranks of the petitioner. Thus, intervenor’s status as sole and exclusive bargaining representative is now of doubtful validity.

“For the above-mentioned reason, we stand obliged to resort to the most expeditious, practical and democratic option open to us, that is, the conduct of a certification election. Through this forum, the true sentiments of the workers as to which labor organization deserves their loyalty can be fairly ascertained. In any event, it is our view that the 10 September 1982 collective agreement should be respected by the union that shall prevail in the election not only because it is an arbitration award but also because substantial benefits are provided thereunder. Otherwise stated, the winning union shall administer said agreement. In passing, it may be pointed out that CAREFCO has been included as one of the contending parties in the election. We feel that it is error for the acting Med-Arbiter to do so considering that the company is a mere bystander in this representation dispute.

“WHEREFORE, as above qualified, the Order dated 2 May 1983 is affirmed.

“SO DECIDED.” (Rollo, pp. 40-41).

From the decision of respondent Director Trajano, petitioner filed a motion for reconsideration dated December 6, 1983.

The respondent Director in his order dated March 21, 1984 denied the motion for reconsideration for lack of merit and affirmed the Bureau’s decision of November 18, 1983.

Hence, this petition.

This Court in a resolution dated December 10, 1984 resolved to grant the urgent motion of petitioner for the issuance of a restraining order and issued a temporary restraining order enjoining the respondents from conducting and holding the certification election on December 17, 1984 among the rank and file employees of respondent company (see Rollo, p. 99).

Petitioner maintains that respondent Director Trajano committed grave abuse of discretion amounting to lack of jurisdiction when it rendered a decision affirming the order of Med-Arbiter Correa

finding that the deadlock is “nothing but a mere subterfuge to obstruct the exercise of the workers of their legitimate right to self-organization, a last minute maneuver to deny the workers the exercise of their constitutional rights” (Rollo, p. 28) and ordering a certification election among the rank and file workers of respondent company.

Furthermore, petitioner stresses that the finding that the contract (deadlock) bar rule has no room for application in the instant case, runs counter to the provision of Section 3 of the Rules Implementing Batas Pambansa Blg. 130 which prohibits the filing of a petition for certification election during the pendency of a bargaining deadlock.

In conformity with the petitioner’s contentions, the Solicitor General insists that the respondent Director has acted arbitrarily in issuing the assailed decision and order. In addition, it argues that the CBA concluded on September 10, 1983 has a life span of three (3) years and constitutes a bar to the petition for certification election pursuant to Section 3 of the Rules Implementing Batas Pambansa Blg. 130.

The pivotal issue therefore, is whether or not a petition for certification election may be filed during the pendency of a bargaining deadlock submitted to arbitration or conciliation.

After a careful review of the records of this case, the court finds the petition meritorious and holds that the respondent Director gravely abused his discretion when he affirmed the order of Med-Arbiter Correa calling for a certification election among the rank and file workers of private respondent company.

The law on the matter is Section 3, Book V, Rule V of the Omnibus Rules Implementing the Labor Code, to wit:

“SECTION 3. When to file. — In the absence of a collective bargaining agreement duly registered in accordance with Article 231 of the Code, a petition for certification election may be filed at any time. However, no certification election may be held within one year from the date of issuance of a final certification election result. Neither may a representation question be entertained if, before the filing of a petition for certification

election, a bargaining deadlock to which an incumbent or certified bargaining agent is a party had been submitted to conciliation or arbitration or had become the subject of valid notice or strike or lockout.

“If a collective bargaining agreement has been duly registered in accordance with Article 231 of the code, a petition for certification election or a motion for intervention can only be entertained within sixty (60) days prior to the expiry date of such agreement.”

The clear mandate of the aforequoted section is that a petition for certification election may be filed at any time, in the absence of a collective bargaining agreement. Otherwise put, the rule prohibits the filing of a petition for certification election in the following cases:

- (1) during the existence of a collective bargaining agreement except within the freedom period;
- (2) within one (1) year from the date of issuance of declaration of a final certification election result; or
- (3) during the existence of a bargaining deadlock to which an incumbent or certified bargaining agent is a party and which had been submitted to conciliation or arbitration or had become the subject of a valid notice of strike or lockout.

The Deadlock Bar Rule simply provides that a petition for certification election can only be entertained if there is no pending bargaining deadlock submitted to conciliation or arbitration or had become the subject of a valid notice of strike or lockout. The principal purpose is to ensure stability in the relationship of the workers and the management.

In the case at bar, a bargaining deadlock was already submitted to arbitration when private respondent FUR-TUCP filed a petition for certification election. The same petition was dismissed for lack of merit by the Acting Med-Arbiter in an order dated July 23, 1982 on the sole ground that the petition is barred by a pending bargaining deadlock. However, respondent Director set aside the same order and

subsequently affirmed an order giving due course to the petition for certification election and ordering that an election be held.

The law demands that the petition for certification election should fail in the presence of a then pending bargaining deadlock.

A director of the Bureau of Labor Relations, by the nature of his functions, acts in a quasi-judicial capacity. We find no reason why his decision should be beyond this Court's review. Administrative officials, like the director of the Bureau of Labor Relations are presumed to act in accordance with law but this Court will not hesitate to pass upon their work where there is a showing of abuse of authority or discretion in their official acts or when their decisions or orders are tainted with unfairness or arbitrariness.

Noteworthy is the fact that a certification was issued by Executive Labor Arbiter Celerino Grecia II on October 21, 1982 certifying that the petition for deadlock in RAB Case No. VI-0220-82 was forwarded to the Executive labor Arbiter for compulsory arbitration (see Rollo, p. 19). The respondent Director erred in finding that the order issued by the Med-Arbiter dismissing the petition for certification election was irregular and was merely based on information.

All premises considered, the Court is convinced that the assailed decision and order of the respondent Director is tainted with arbitrariness that would amount to grave abuse of discretion.

**ACCORDINGLY**, the Petition is **GRANTED**, the Decision dated November 18, 1983 and order dated March 21, 1984 of the respondent Director Cresenciano B. Trajano are hereby nullified and the order of Med-Arbiter Militante dated July 23, 1982 dismissing the petition for certification election is hereby reinstated.

**SO ORDERED.**

**Narvasa, C.J., Cruz and Griño-Aquino, JJ., concur.**  
**Bellosillo, J., is on leave.**