SUPREME COURT
FIRST DIVISION

NATIONAL LABOR UNION,
***Petitioner*,**

-versus-

G.R. No. L-7945
March 23, 1956

BENEDICTO DINGLASAN,
***Respondent*.**
x----------x

D E C I S I O N

PADILLA, *J.*:

The Petitioner seeks a Review and the Setting Aside of a Resolution En Banc of the Court of Industrial Relations adopted on 23 June 1954 which held that there exists no employer-employee relationship between the respondent and the driver complainants represented by the Petitioner and for that reason the Court of Industrial Relations dismissed the complaint filed by the acting prosecutor of the Court. The Resolution En Banc complained of reversed an Order of an Associate Judge of the Court which declared that there was such relationship of employer-employee between the respondent and the complainants represented by the Petitioner. The last mentioned Order of 16 February 1954 was just interlocutory but it was set aside by the Resolution of 23 June 1954. The National Labor Union in representation of the complainants appealed from said Resolution

dismissing its complaint charging the respondent with the commission of unfair labor practices.

In the Resolution complained of there are no findings of facts. It merely states that —

> The Court, En Banc, finds that the said motion for reconsideration is well-taken and, therefore, it hereby reconsider the Order of February 16, 1954, and thereby declares that there is no employer- employee relation between respondent, Benedicto Dinglasan, and the driver-complainants in his case. As a consequence, the motion to dismiss the complaint dated October 31, 1953, filed by the Acting Prosecutor of the Court, is hereby granted. (Annex D.)

This Resolution was adopted upon a motion for reconsideration of the previous Order of 16 February 1954. As there are no findings of fact in the Resolution those set forth in the previous Order must have been relied upon by the Court. They are as follows:

(a) Respondent Dinglasan is the owner and operator of TPU jeepneys plying between España-Quiapo-Pier and vice versa.

(b) Petitioners are drivers who had verbal contracts with respondent for the use of the latter's jeepneys upon payment of P7.50 for 10 hours use, otherwise known as the "boundary system".

(c) Said drivers did not receive salaries or wages from Mr. Dinglasan; their day's earnings being the excess over the P7.50 that they paid for the use of the jeepneys. In the event that they did not earn more, respondent did not have to pay them anything;

(d) Mr. Dinglasan's supervision over the drivers consisted in inspection of the jeepneys that they took out when they passed his gasoline station for water, checking the route prescribed by the Public Service Commission, or whether

any driver was driving recklessly and washing and changing the tires of jeepneys. (Annex C.)

The main question to determine is whether there exists a relationship of employer-employee between the drivers of the jeeps and the owner thereof. The findings contained in the first Order are not disputed by both parties except the last to which the respondent took exception. But in the Resolution setting aside the Order of 16 February 1954 the Court of Industrial Relations En Banc did not state that such finding is not supported by evidence. It merely "declares that there is no employer-employee relation between respondent, Benedicto Dinglasan, and the driver-complainants in this case." If the findings to which the respondent took exception is unsupported by the evidence, a pronouncement to that effect would have been made by the Court En Banc. In the absence of such pronouncement we are not at liberty to ignore or disregard said finding. The findings of the Court of Industrial Relations with respect to question of fact, if supported by substantial evidence on the record shall be conclusive."[1] Taking into consideration the findings of fact made by the Court of Industrial Relations we find it difficult to uphold the conclusion of the Court set forth in its Resolution of 23 June 1954. The drivers did not invest a single centavo in the business and the respondent is the exclusive owner of the jeeps. The management of the business is in the respondent's hands. For even if the drivers of the jeeps take material possession of the jeeps, still the respondent as owner thereof and holder of a certificate of public convenience is entitled to exercise, as he does and under the law he must, supervision over the drivers by seeing to it that they follow the route prescribed by the Public Service Commission and the rules and regulations promulgated by it as regards their operation. And when they pass by the gasoline station of the respondent checking by his employees on the water tank, oil and tire pressure is done. The only features that would make the relationship of lessor and lessee between the respondent and the drivers, members of the union, as contended by the respondent, are the fact that he does not pay them any fixed wage but their compensation is the excess of the total amount of fares earned or collected by them over and above the amount of P7.50 which they agreed to pay to the respondent, the owner of the jeeps, and the fact that the gasoline burned by the jeeps is for the account of the drivers. These two features are not, however, sufficient to withdraw the

relationship between them from that of employer-employee, because the estimated earnings for fares must be over and above the amount they agreed to pay to the respondent for a ten-hour shift or ten-hour a day operation of the jeeps. Not having any interest in the business because they did not invest anything in the acquisition of the jeeps and did not participate in the management thereof, their service as drivers of the jeeps being their only contribution to the business, the relationship of lessor and lessee cannot be sustained.[2] In the lease of chattels the lessor loses complete control over the chattel leased although the lessee cannot make bad use thereof, for he would be responsible for damages to the lessor should he do so. In this case there is a supervision and a sort of control that the owner of the jeeps exercises over the drivers. It is an attempt by ingenious scheme to withdraw the relationship between the owner of the jeeps and the drivers thereof from the operation of the labor laws enacted to promote industrial peace.

As to the point that the National Labor Union is not the real party in interest to bring the complaint, suffice it to say that " 'representative' includes a legitimate labor organization or any officer or agent of such organization, whether or not employed by the employer or employees whom he represents."[3] And whenever it is charged by an offended party or his representative that any person has engaged or is engaging in any unfair labor practice, the Court of Industrial Relations must investigate such charge.[4] Therefore, the objection to the institution of the charge for unfair labor practice by the National Labor Union is not well taken.

The Order of 23 June 1904 is reversed and set aside and the case remanded to the Court of Industrial Relations for such further proceedings as may be required by law, with costs against the respondent.

Paras, *C.J.*, Bengzon, Reyes, Bautista Angelo, Labrador, Concepcion, Reyes, and Endencia, *JJ.*, concur.

---

[1] Section 6, Republic Act No. 875.

[2] In the matter of the Park Floral Company, etc., 19 NLRB 403; Radley et al. vs. Commonwealth, 161 SW (2d) 417; Jones vs. Goodson et al., 121 Fed. Rep. (2d) 176; Mitchel vs. Gibbson et al., 172 Fed. Rep. (2d) 970.
[3] Section 6, Republic Act No. 875.
[4] Section 5 (b), Republic Act No. 875.