SUPREME COURT
SECOND DIVISION

ROYAL INTEROCEAN LINES, ET AL.,
***Petitioners*,**

-versus-

G.R. No. L-11745
October 31, 1960

HON. COURT OF INDUSTRIAL RELATIONS, ET AL.,
***Respondents*.**
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D E C I S I O N

PARAS, *J.*:

The petitioner, Royal Interocean Lines, is a foreign corporation licensed to do business in the Philippines, with head office in Hongkong. Its branch office in Manila employed respondent Ermidia A. Mariano who had worked for the petitioner since January 5, 1932, until her discharge on October 23, 1953.

In or about October, 1953, the respondent and the manager of the Manila Branch (Kamerling) developed strained relationship that led the former to lodge with the managing director in Hongkong a complaint against Kamerling. The latter, with the approval of the head office in Hongkong, dismissed the respondent on October 23, 1953. She charged the petitioner and Kamerling with unfair labor practice under section 4 (a), subsection 5 of Republic Act No. 875 in the Court of Industrial Relations which held the petitioner and Kamerling guilty thereof and ordered the respondent's reinstatement, with backpay from the date of her dismissal. The petitioner has appealed by way of *certiorari*.

The issue involved is whether or not the petitioner was guilty of unfair labor practice in having dismissed the respondent because the latter had filed charges against Kamerling not connected with or necessarily arising from union activities. The pertinent legal provision is section 4 (a), subsection 5, of Republic Act No. 875 which reads as follows: "SEC. 4 Unfair Labor Practice, (a) It shall be unfair labor practice for an employer: (5) To dismiss, discharge, or otherwise prejudice or discriminate against an employee for having filed charges or for having given or being about to give testimony under this Act."

The Court of Industrial Relations has construed the foregoing as including all cases where an employee is dismissed, discharged or otherwise prejudiced or discriminated against by reason of the filing, by the latter with the court or elsewhere of any charge against his employer.

Section 4 (a), subsection 5, is part of the Magna-Charta of Labor which has these underlying purposes:[1]

> "The experience under Commonwealth Act No. 213 which now regulates the subject, has shown the need for further safeguards to the rights of workers to organize. The attached bill seeks to provide these safeguards, following the pattern of United States National Labor Relations Act with suitable modifications demanded by local conditions. (Secs. 4-8.)
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> "The bill will prevent unfair labor practices on the part of the employers including not only acts of anti-union discrimination

but also those which are involved in the making of company unions.

"The bill protects the workers in the process of organization and before as well as after the union is registered with the Department of Labor. Under Commonwealth Act No. 213, protection comes only after such registration.

"The bill will prevent unfair labor practices expeditiously by direct orders which exercises a continuing restraint upon the employers to whom they are issued. Commonwealth Act No. 103 requires criminal prosecution which usually involves delay. Under this Act, by discharge of the penalty, an employer is free to commit the act again."

Considering the policy behind the enactment of the statute, it is readily discoverable that the provisions of sections 1 and 3 are the bases for the protection of the laborers' right to self-organization, and the enumeration in section 4 (of unfair labor practices), are nothing more than a detailed description of an employer's acts that may interfere with the right to self-organization and collective bargaining.

The American courts, in interpreting the provision of the Wagner Act similar to section 4 (a), Subsection 5, said:

"The statute goes no further than to safeguard the right of employees to self-organization and to select representatives of their own choosing for collective bargaining or other mutual protection without restraint or coercion by their employer.

"That is fundamental right. Employees have as clear a right to organize and select their representatives for lawful purpose as the respondent has to organize its business and select its own officers and agents. See Case of National Relations Board vs. Jones & Laughlin Steel Corp. 301 U. S. 1.)

Consequently, with the above fundamental objective, the following judicial pronouncements give adequate panoply to the rights of the employer.

> "The protection of workers' right to self-organization in no way interfere with employer's freedom to enforce such rules and orders as are necessary to proper conduct of his business, so long as employer's supervision is not for the purpose of intimidating or coercing his employees with respect to their self-organization and representation. (National Labor Relations Board vs. Hudson Motor Car Co. C.C.A., 1942, 123 F. 2d. 528.).
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> "It is the function of the court to see that the rights of self-organization and collective bargaining guaranteed by the Act are amply secured to the employee, but in its effort to prevent the prescribed unfair labor practices, the court must be mindful of the welfare of the honest employer. (Martel Mills Corp. vs. M.L.R.L., C.C.A. 1940, 11471 2d. 264.).

Despite the employees' right to self-organization, the employer therefore still retains his inherent right to discipline his employees, his normal prerogative to hire or dismiss them. The prohibition is directed only against the use of the right to employ or discharge as an instrument of discrimination, interference or oppression because of one's labor or union activities. (See Rotenberg on Labor Relations, pp. 398-399.) Even from a literal and grammatical point of view, the provision in dispute has to be interpreted in the sense that the charges, the filing of which is the cause of the dismissal of the employee, must be related to his right to self- organization, in order to give rise to unfair labor practice on the part of the employer. Under Subsection 5 of Section 4 (a), the employee's (1) having filed charges or (2) having given testimony or (3) being about to give testimony, are modified by "under this Act" appearing after the last item. In other words, the three acts must have reference to the employees' right to self-organization and collective bargaining, because the element of unfair labor practice is interference in such right. It would be redundant to repeat "under this Act" after each enumeration connected by the disjunctive conjunction "or."

As the respondent's dismissal has no relation to union activities and the charges filed by her against the petitioner had nothing to do with or did not arise from her union activities, the appealed decision is hereby reversed and the directive for the respondent's reinstatement with back pay revoked.

So ordered without special pronouncement as to costs.

Padilla, Bautista Angelo, Labrador, Reyes, Gutierrez David, and Paredes, *JJ.*, concur.

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[1] Explanatory Note of House Bill No. 825 and Senate Bill No. 423, now Republic Act No. 875.
