SUPREME COURT
EN BANC

RUSTAN SUPERVISORY UNION, MAHADI LIMBAO, LOLITO PEPITO, ARTURO SOLIS, WINSTON BALATBAT and ISIDRO BALCITA, JR.,
***Petitioners*,**

-versus-

G.R. No. L-32891
April 29, 1971

HON. MOISES DALISAY, Presiding Judge of the Court of First Instance of Lanao del Norte, Branch II, and RUSTAN PULP AND PAPER MILLS, INC.,
***Respondents*.**
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D E C I S I O N

TEEHANKEE, *J.*:

An Original Action for *Certiorari* and Prohibition challenging the jurisdiction of the Court of First Instance of Lanao del Norte to issue the injunction orders complained of.

Petitioner union is a legitimate labor organization and individual petitioners are the union's principal officers. On September 23, 1970, the union wrote respondent company that a great number of the supervisory personnel of respondent's plant had affiliated with it and presented a set of proposals for incorporation into a collective bargaining agreement. On October 25, 1970, after its ultimatum letter of October 12, 1970 for union recognition had been unheeded by respondent, the union declared a strike and picketed the company premises. Several conferences were thereafter held at the Iligan City Labor Office between the parties' representatives to no avail. Petitioner alleges that the company refused to negotiate with it while respondent claims in its answer that "it is petitioners who refused to negotiate in good faith."[1]

On November 13, 1970, respondent company as plaintiff filed with respondent court a complaint for actual, moral and exemplary damages with preliminary injunction against the union and its principal officers as defendants (petitioners herein) alleging inter alia that "defendant union, its officers, members and the defendants herein have stationed themselves in front of the gates of plaintiff's plant in such a coercive, violent and intimidating manner as to prevent, as they have in fact, prevented, the incoming and outgoing of plaintiff's trucks and heavy equipment as well as the delivery of some 120 tons of abaca and trim waste paper at petitioner's plant. On the same date, respondent court issued ex parte and without hearing any witness in open court, upon a P5,000.00-bond, its order and writ of November 13, 1970, enjoining "defendants singly and collectively from stationing themselves in front of the gates of plaintiff's plant and preventing the incoming and outgoing of plaintiff's truck and heavy equipment, and from preventing plaintiff from delivering to its plant in Baloi, Lanao del Norte, the goods or materials mentioned above, and such other goods and raw materials as may be necessary for plaintiff's business which may be delivered to plaintiff from time to time from wharf at Iligan City to its plant in Baloi, Lanao del Norte, until further orders from this Court."

On November 16, 1970, petitioners filed with respondent court an urgent motion to dissolve or lift the writ of preliminary injunction, informing respondent court that they were engaged in an industrial dispute with respondent company, which was guilty of unfair labor practice in refusing to negotiate with them as the duly selected bargaining unit, by virtue of which they had struck and picketed the company's premises since October 25, 1970, and therefore impugning respondent court's jurisdiction to issue the injunction which in effect enjoined their concerted strike and picketing activities. Petitioners further assailed the validity of the ex-parte injunction issued without their having been given the benefit of due notice and hearing as required by Section9 of the Industrial Peace Act (Rep. Act. 875).[2]

Respondent court, in its order of November 20, 1970, however, denied dissolution of the injunction, ruling that "(T)he defendant movant maintained that there is an alleged labor dispute existing between the defendant labor union and the plaintiff corporation but the lawyer of the movant admitted that he has not filed a case in the Court of Industrial Relations and neither has he filed a notice of strike in the Department of Labor regarding the matter." Respondent court further ruled out the industrial court's jurisdiction notwithstanding the existence of picketing in the premises, stating that "(I)f this is so, then a mere allegation on the existence of a labor dispute is enough to base jurisdiction on the Court of Industrial Relations. This view is not shared by this Court for the reason that jurisdiction of the Court can not be made to depend upon the pleas or defenses by the defendant in his answer or motion to dismiss. If such were the rule, the question of jurisdiction will depend entirely upon the defendant."

Hence, this petition filed by the union. Respondent company filed its answer, seeking to sustain the jurisdiction of respondent court, on the principal grounds that its action was an ordinary complaint for damages with preliminary injunction and that petitioner union was "never engaged in legitimate labor activities." Upon the filing of a P200.00-bond by petitioners, the Court issued its writ of preliminary injunction enjoining the enforcement of the order and writ of preliminary injunction of November 13, 1970 issued by respondent court.

The Court finds merit in the petition.

1. On the very face of the complaint, for all its artful wording and meticulous avoidance of any reference to petitioner union's strike and picketing activities, and carrying of union placards in front of the company's premises, it is quite clear, particularly from the fact that the union and its principal officers were impleaded as principal defendants, that there existed a labor dispute between the parties, which pertains to the exclusive jurisdiction of the Court of Industrial Relations rather than to respondent court. This is the teaching of Phil. Communications Workers Federation vs. Nolasco,[3] where the complaint in the regular court of first instance alleged that the striking union's pickets "prevented non-striking employees from entering the compound and performing their work therein" — whereas here, respondent company, evading any reference to the union's pickets, alleged in its complaint below that "defendant union, its officers, members and defendants named herein have stationed themselves in front of the gates of plaintiff's plant" to prevent the entry and egress of the company's trucks and heavy equipment and the delivery of goods and raw materials to its premises.

2. Respondent court should have placed itself on guard, therefore, in the face of the complaint's allegations strongly indicating the existence of a labor dispute beyond its jurisdiction, more so, when it was informed in petitioner's urgent motion for dissolution of injunction that the union was on strike because of the company's alleged refusal to bargain collectively which constitutes unfair labor practice under Section4 (a) (6) of the Industrial Peace Act — and was made known to it precisely to deter its hand from maintaining its injunction. For while in regular civil actions, the question of jurisdiction is determined by the allegations of the complaint, the rule differs in labor disputes in that the Court has set the criterion that "whether the acts complained of in the petition for injunction arose out of, or are connected or interwoven with, the unfair labor practice case [presents] a question of fact that should be brought to the attention of the court a quo to enable it to pass upon the issue whether it

has jurisdiction or not over the case"[4] and "the court is duty bound to find out if there really is a labor dispute by reception of evidence." And such ex-parte injunctions, even if proper, should be automatically vacated after five days under Section9(d) of Republic Act 875, and the hearing for determination of the existence of a labor dispute that divests the lower court of jurisdiction, as emphasized by Mr. Justice Reyes in his concurring opinion in the very case of ALU vs. Ramolete[5] cited by respondent court, should not be deferred beyond the statutory five-day period thereby "maintaining an injunction beyond the maximum period authorized by law even if the court had jurisdiction to issue it (and) nullifying a statutory provision expressly designed to protect labor.

3. The Court stressed the exclusive jurisdiction of the industrial court as against the regular courts over unfair labor practices in Veterans Security Free Workers Union vs. Cloribel[6] thus: "(I)t has long been accepted as dogma that-cases involving unfair labor practice fall within the exclusive jurisdiction of the Court of Industrial Relations, by virtue of the explicit provisions of Section5(a) of the Industrial Peace Act that said 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.' The strike and picketing restrained by the questioned orders of respondent judge arose out of unfair labor practices of respondent company in allegedly refusing to bargain in good faith and dismissing for union activities the union officials and members, which are the very subject-matter of the unfair labor charge filed by the union in the Industrial Court. These were facts expressly alleged by petitioner in its Urgent Motion for Reconsideration, asking respondent judge to set aside the questioned orders and raising respondent Court's lack of jurisdiction. The very complaint of respondent in the case below, for all its artful wording, was sufficient on its face to apprise respondent Court that the matter presented before

it involved an unfair labor practice case falling within the Industrial Court's exclusive competence and jurisdiction.

4. Respondent court's stated reasons for denying dissolution of the injunction, to wit, that petitioner union had not filed a case in the industrial court nor a strike notice with the Labor Department constituted grave error. As emphasized by the Court in the Veterans Security Free Workers Union case, supra, "It is settled doctrine that labor disputes arising out of unfair labor practices committed by any of the parties do not present a question of concurrent jurisdiction between the Court of First Instance and the Industrial Court, but that jurisdiction over such matters is vested exclusively in the Court of Industrial Relations. As succinctly restated by Mr. Justice Sanchez in Phil. Communications Workers vs. Nolasco, supra, 'CIR's jurisdiction stays even if no unfair labor practice case has been filed with CIR. It is enough that unfair labor practice is involved.'" As to the lack of strike notice, it is equally settled doctrine that in strikes arising out of and against a company's unfair labor practice, a strike notice is not necessary in new of the strike being founded on urgent necessity and directed against practices condemned by public policy, such notice being legally required only in cases of economic strikes.

5. Even-assuming for the nonce respondent court's jurisdiction over the case below, however, respondent court failed to heed the controlling statute as embodied in Section 9 of the Industrial Peace Act. The issuance of injunctions in connection with labor disputes is governed by the statutory restrictions therein provided and not by the Rules of Court.[7] And injunctions in labor disputes are not favored and may issue only after a strict and rigorous compliance with the statutory requisites.[8] It will be readily seen that the injunction order and writ of respondent court must be overturned for the same failure to comply with the statutory restrictions as in the Philippine Communications Workers case, viz: "For one, there is the absence of a showing that the court heard the testimony of witnesses required in Section9(d) to support the allegations of the complaint and

testimony in opposition thereto. Then, the court did not make any 'finding of fact' as to the existence or non-existence of the facts required to be shown under the afore-quoted Section9(d) and also under Section9(f) of the Industrial Peace Act. Nor was notice given 'to the chief of those public officials of the . . . city . . . charged with the duty to protect complainant's property,' also a prerequisite in said Section9(d) heretofore mentioned. And finally, the record is barren as to whether or not complainant exerted 'every reasonable effort to settle such dispute by negotiation or with the aid of any available governmental machinery of mediation or by voluntary arbitration,' another condition exacted by law — this time Section9(e) of the Industrial Peace Act — before a restraining order or injunction may be granted. Failure to comply with even one of these requirements will suffice to deny the issuance of the writ."[9]

6. It has likewise long been settled that where the acts complained of by the company are directly interwoven with the unfair labor practice charged against it by the union, "the main case does not come under the jurisdiction of the [regular] trial court, even if it involves violence, intimidation and coercion as averred in the complaint," as in the case below, for the industrial court's jurisdiction is exclusive.[10] If the purpose of the action is to obtain some injunctive relief against certain acts of the union members, the same can be obtained from the industrial court which is given ample powers to act thereon.[11]

7. The labor dispute between the parties must therefore be settled and any injunctive relief must be sought at the industrial court, which has exclusive jurisdiction over the subject matter, and to which the case must properly be brought at the instance of either party. This jurisdictional question has long received the Court's attention and Mr. Justice Castro, speaking for the Court in Regal Mfg. Employees Ass'n. vs. Reyes[12] indicated that actions for damages brought by the company against the union as a result of the union's concerted activities must await the prior resolution of the industrial court which is vested with

exclusive jurisdiction over the labor dispute. The proper course for regular courts to observe in such cases was thus stated: "(U)nder the environmental circumstances obtaining, the respondent court should have dismissed the original petition for injunction outright, or, later, dismissed the amended petition for injunction, without prejudice, or, in the very least, suspended action thereon in so far as the question of damages is concerned, until the CIR shall have finally decided the two labor disputes pending before it." The fact that in the case at bar, the labor dispute has not yet reached the industrial court at the instance of either party does not affect the cited ruling. The company may well take the initiative, as already indicated, of seeking injunctive relief as well as the damages claimed by it in the industrial court — as it must, if it has basis for its allegations of violence, intimidation and coercion on the union's part.

ACCORDINGLY, the Writ of *Certiorari* and Prohibition prayed for is hereby granted, and the preliminary injunction heretofore issued by the Court is hereby made permanent. Respondent court is hereby directed to dismiss the case for damages with preliminary injunction before it, Civil Case No. 1637, without prejudice. With costs against private respondent. So ordered.

Concepcion, *C.J.*, Reyes, Dizon, Makalintal, Zaldivar, Castro, Fernando, Barredo, Villamor and Makasiar, *JJ.*, concur.

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[1] Answer, par. 9.
[2] Petition, Annex H.
[3] 24 SCRA 321 (July 29, 1968).
[4] United Pepsi-Cola Sales Org. vs. Cañizares, 102 Phil. 887, cited in Phil. Comm. Workers vs. Nolasco, supra, fn. 3.
[5] ALU vs. Ramolete, 13 SCRA 582 (Mar. 31, 1965).
[6] 31 SCRA 297 (Jan. 30, 1970); see also LMM vs. Abiera, 36 SCRA 437 (Dec. 19, 1970) and Espanilla vs. La Carlota Sugar Central, L-23722, Mar. 31, 1971.
[7] Paflu vs. Tan, 99 Phil. 854; Cueto vs. Ortiz, 108 Phil. 538 (May 31, 1960).
[8] Security Bank Employees Union vs. Security Bank & Trust Co., 23 SCRA 503 (April 30, 1968).

[9] 24 SCRA 321, at pp. 330-331; see also Lakas ng Pagkakaisa sa Peter Paul vs. Victoriano, 102 Phil. 1181, (Jan. 14, 1958); Cruz vs. Cinema, etc., Free Workers, 101 Phil. 1259, (July 31, 1957); and Paflu vs. Barot, 99 Phil. 1008 (1956).
[10] National Garment & Textile Workers Union vs. Caluag, reaffirmed in Regal Mfg. Employees Assn. vs. Reyes, 24 SCRA 352 (July 29, 1968).
[11] Lakas ng Pagkakaisa sa Peter Paul vs. Victoriano, supra, fn. 9.
[12] Supra, fn. 10.