

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
EN BANC**

**UNION DE EMPLEADOS DE TRENES,
*Petitioner,***

-versus-

**G.R. No. L-14762
December 20, 1960**

**KAPISANAN NG MGA MANGGAGAWA
SA MANILA RAILROAD COMPANY,
SISENANDO VILLALUZ and THE
COURT OF INDUSTRIAL RELATIONS,
*Respondents.***

X-----X

DECISION

LABRADOR, J.:

This is Petition for *Certiorari* against an order of the Court of Industrial Relations (in its Case No. 270-V) dated September 15, 1958, and the resolution en banc dated September 15, 1958, and the resolution en banc dated November 20, 1958, awarding Atty.

Gregorio E. Fajardo, Atty. Sisenando Villaluz and the Kapisanan Ng Mga Manggagawa sa Manila Railroad Company, 10 per cent, 12 per cent and 1 per cent, respectively, of the amount of P107,443.55, the first two as fees and the last as reimbursement of union expenses incurred in said case. The awards are charged against the petitioner Union de Empleados de Trenes upon the amount of P107,443.55 credited as additional pay for night work of its members.

On February 17, 1949, Atty. Gregorio E. Fajardo filed the petition in case No. 270-V in the name of the Kapisanan Ng Mga Manggagawa Sa Manila Railroad Company. Eleven demands were made in the petition, the first of which is for additional compensation for night work. On February 10, 1950, a decision was rendered in the said case granting an additional compensation of 25 per cent for night work, that is, from 6:00 p.m. to 6:00 a.m. On December 15, 1951, Atty. Gregorio E. Fajardo was dismissed by the Kapisanan Ng Mga Manggagawa sa Manila Railroad Company and was replaced, so he did not have the time or opportunity to secure an execution of the award he obtained.

After the filing of case No. 270-V, another similar case was filed, C.I.R. Case No. 368-V, by the petitioner herein, Union De Empleados De Trenes, seeking the same relief demanded in Case No. 270- V. On June 1, 1950, the parties agreed to abide by the decision rendered by the Court of Industrial Relations in said Case No. 270-V, that is, the same award of an additional 25 per cent for night work. It is to be noted that the original award in Case No. 270-V was made applicable to all employees and workers of the Manila Railroad Company, whether members of any union or not. Hence the members of petitioner were benefited by the award secured in Case No. 270-V.

After the separation of Atty. Gregorio E. Fajardo in 1951, Atty. Sisenando Villaluz filed motions for the execution of the decision obtained by Atty. Gregorio E. Fajardo, that is, the payment of the additional 25 per cent for night work. Motions were presented in July, 1952, January, 1953, March, 1953 and October, 1954, but to no avail. But when Col. Salvador T. Villa became the manager of the Manila Railroad Company, and the finances of the Company permitted it, the court ordered deposits from time to time, to cover the 25 per cent pay for night work in previous years. These deposits accumulated up to

September, 1956. After the sums had been deposited as above indicated, Atty. Gregorio E. Fajardo filed a notice of his lien for fees for services rendered in securing the judgment for the payment of additional compensation. The railroad company, thru Atty. Sisenando Villaluz, opposed the petition. The nature and value of the services of Atty. Fajardo and Villaluz were carefully assessed in the order of the court below fixing the fees of said lawyers, which states —

“The Court believes that the award for additional compensation for night work which had been won by Atty. Fajardo for the petitioner is a job well-done from the time the petition was filed with this Court up to the time he was asking for compliance of the decision not only on May 12, 1950 but up to the time he was dismissed by petitioner on December 12, 1951. Unfortunately, he was not able to get the immediate execution of the award because of the poor financial condition of the company. Any lawyers, for that matter, would not have been able to obtain execution of the award because of the circumstances beyond his control. As a matter of fact, when he was sustained on December 12, 1951, his successor was not able to get immediate execution of the award because of the poor financial condition of the company. It was only during the able management of Col. Salvador T. Villa that conditions of the company improved thus allowing the negotiations to execute the award to become successful, resulting in the issuance of the order of September 15, 1956. True, reference was made of the cooperation and enlightened approach of the parties in the case especially the lawyers. But it did not, by any stretch of imagination, ruled out the services rendered by any party that rendered possible the rightful claims of the union.

As to the amount he is entitled to, it is quite evident that Atty. Fajardo filed the case and had won it. There was nothing more left but to wait for the company to be in a better financial condition so that the award could be executed. Under the foregoing circumstances, the Court believes that ten (10%) per cent of the total additional compensation for night work due from February 10, 1950 up to December 31, 1955 would be reasonable enough to be the attorney’s fees of Atty. Fajardo.

Let us now dwell into the claims of Atty. Sisenando Villaluz for his attorney's fees. Fifteen (15%) per cent of the night work compensation, salary differential and "francos" is being claimed as his attorney's fees. Of course it must be reiterated that this Court in the Order of September 15, 1956, recognized the ability of the union lawyers in the negotiation to execute the award, but such services are, it is believed as important as winning the case in Court. However, inasmuch as Atty. Villaluz was able to execute not only award for 25 per cent additional compensation for night work but also the salary differentials and "francos" which are long overdue contractual obligations of the company to the employees and laborers, the Court believes that ten (10%) per cent of the total additional compensation for night work due from February 10, 1950 to December 31, 1955 is quite reasonable also as his attorney's fees."

as well as in the resolution en banc which states that —

"Considering the efforts exerted by Atty. Villaluz in the conciliation of this case which rendered the early payment of the claim, without resort to execution of the judgment, the Court further feels that he is entitled to 12 per cent attorney's fees."

With respect to the claim of the petitioner that it should be excluded from paying the fees of Attys. Fajardo and Villaluz, the court below made the following remarks —

"With respect, however, to the desire of the Union de Empleados de Trenes to be excluded in this case and to be included under Case No. 368—V for purposes of payment of the 25 per cent night differential as well as other benefits therein, the Court is constrained to deny the same. When the said Union had been allowed to intervene in this case, such matter was not brought up in its pleading in intervention. As a matter of fact, in its answer in intervention, Atty. Fajardo had been offered five (5%) per cent attorney's fees. It even guaranteed the payment of attorney's fees and/or union expenses that may be adjudicated corresponding to the P9,435.13 which is had withdrawn on December 26, 1957 out of the deposits made by the company in

the above-entitled case. Now that the issue regarding attorney's fees and union expenses had been submitted for decision, it suddenly changed its stands in its memoranda dated August 14, and 15, 1958, by contending that it derived its benefits for night work in Case No. 368-V and not in the above-entitled case."

The awards to Atty. Sisenando Villaluz and to the Kapisanan Ng Mga Manggagawa Sa Manila Railroad Company are the subject of this petition.

We find that the rulings of the court below are just and equitable. The claim for 25 per cent additional pay for night work was secured in Case No. 368-V, but, as the court has found, the award of said additional pay was originally secured in Case No. 270-V. As a matter of fact, the parties in case No. 368-V had agreed to abide by the award granted in Case No. 270-V. So that the petitioner herein had secured, if not directly, at least indirectly, the benefits of services rendered by Atty. Gregorio E. Fajardo, although rendered in another case. It is only just that said attorneys and Atty. Villaluz, be paid out of the additional amounts collected by all the employees as a result of the favorable award secured by said attorneys.

The records indicate that the different labor unions in the Manila Railroad Company have already been receiving the 25 per cent additional pay for night work secured by Atty. Fajardo. No mention is made in the decision of the right of said attorneys to further compensation out of additional pay received subsequent to September, 1956. It is our considered opinion that no further percentages on said additional pays after September, 1956 should be granted said attorneys.

The award of 1 per cent of the amount deposited in favor of respondent Kapisanan Ng Mga Manggagawa Sa Manila Railroad Company, also appears to be just and equitable. Said company had been paying a salary to its attorneys who secured the awards. The amount granted by the lower court is only 1 per cent and this can not be said to be exorbitant. We believe that lower court did not abuse its discretion in granting this reimbursement.

With the modification above indicated, i.e., that no further claims shall be allowed, the Decision appealed from is hereby affirmed, with costs against the petitioner.

Paras, C.J., Bengzon, Padilla, Bautista Angelo, Concepcion, Reyes, Barrera, Gutiérrez David, Paredes and Dizon, JJ., concur.

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