SUPREME COURT
SECOND DIVISION

DOLORES VILLAR, ROMEO PEQUITO, DIONISIO RAMOS, BENIGNO MAMARALDO, ORLANDO ACOSTA, RECITACION BERNUS, ANSELMA ANDAN, ROLANDO DE GUZMAN and RITA LLAGAS,

***Petitioners*,**

-versus-

G.R. Nos. L-50283-84
April 20, 1983

THE HON. AMADO G. INCIONG, as Deputy Minister of the Ministry of Labor, AMIGO MANUFACTURING INCORPORATED and PHILIPPINE ASSOCIATION OF FREE LABOR UNIONS (PAFLU),

***Respondents*.**

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D E C I S I O N

GUERRERO, *J.*:

ABAD SANTOS, J., concurring:

Petition for Review by *Certiorari* to set aside the Order dated February 15, 1979 of respondent Deputy Minister Amado G. Inciong affirming the Decision of the OIC of Regional Office No. 4 dated October 14, 1978 which jointly resolved RO4-Case No. T-IV-3549-T and RO4-Case No. RD-4-4088-77-T.

The facts are as follows:

Petitioners were members of the Amigo Employees Union-PAFLU, a duly registered labor organization which, at the time of the present dispute, was the existing bargaining agent of the employees in private respondent Amigo Manufacturing, Inc. (hereinafter referred to as Company). The Company and the Amigo Employees Union-PAFLU had a collective bargaining agreement governing their labor relations, which agreement was then about to expire on February 28, 1977. Within the last sixty (60) days of the CBA, events transpired giving rise to the present dispute.

On January 5, 1977, upon written authority of at least 30% of the employees in the company, including the petitioners, the Federation of Unions of Rizal (hereinafter referred to as FUR) filed a petition for certification election with the Med-Arbiter's Office, Regional Office No. 4 of the Ministry of Labor and Employment. The petition was, however, opposed by the Philippine Association of Free Labor Unions (hereinafter referred to as PAFLU) with whom, as stated earlier, the Amigo Employees Union was at that time affiliated. PAFLU's opposition cited the "Code of Ethics" governing inter-federation disputes among and between members of the Trade Unions Congress of the Philippines (hereinafter referred to as TUCP). Consequently, the Med-Arbiter indorsed the case to TUCP for appropriate action but before any such action could be taken thereon, the petitioners disauthorized FUR from continuing the petition for certification election for which reason FUR withdrew the petition.

On February 7, 1977, the same employees who had signed the petition filed by FUR signed a joint resolution reading in toto as follows:

"Sama-Samang Kapasiyahan

1. TUMIWALAG bilang kasaping Unyon ng Philippine Association of Free Labor Unions (PAFLU) at kaalinsabay nito, inaalisan namin ang PAFLU ng kapangyarihan na katawanin kami sa anumang pakikipagkasundo (CBA) sa Pangasiwaan ng aming pinapasukan at kung sila man ay nagkasundo o magkakasundo sa kabila ng pagtitiwalag na ito, ang nasabing kasunduan ay hindi namin pinagtitibay at tahasang aming itinatakwil/tinatanggihan;

2. BINABAWI namin ang aming pahintulot sa Federation of Unions of Rizal (FUR) na katawanin kami sa Petition for Certification Election (RO4-MED Case No. 743-77) at/o sa sama-samang pakikipagkasundo sa aming patrono;

3. PANATILIHIN na nagsasarili (independent) ang aming samahan, AMIGO EMPLOYEES' UNION, alinsunod sa Artikulo 240 ng Labor Code;

4. MAGHAIN KAAGAD ang aming Unyong nagsasarili, sa pamumuno ng aming pangsamantalang Opisyal na kinatawan, si Ginang DOLORES VILLAR, ng Petition for Certification Election sa Department of Labor, para kilalanin ang aming Unyong nagsasarili bilang tanging kinatawan ng mga manggagawa sa samasamang pakikipagkasundo (CBA);

5. BIGYAN ng kopya nito ang bawa't kinauukulan at ang mga kapasiyahang ito ay magkakabisa sa oras na matanggap ng mga kinauukulan ang kani-kanilang sipi nito."[1]

Immediately thereafter or on February 9, 1977, petitioner Dolores Villar, representing herself to be the authorized representative of the Amigo Employees Union, filed a petition for certification election in the Company before Regional Office No. 4, with the Amigo Employees Union as the petitioner. The Amigo Employees Union-PAFLU intervened and moved for the dismissal of the petition for certification election filed by Dolores Villar, citing as grounds therefor, viz: (a) the petition lacked the mandatory requisite of at least 30% of the employees in the bargaining unit; (2) Dolores Villar

had no legal personality to sign the petition since she was not an officer of the union nor is there factual or legal basis for her claim that she was the authorized representative of the local union; (3) there was a pending case for the same subject matter filed by the same individuals; (4) the petition was barred by the new CBA concluded on February 15, 1977; (5) there was no valid disaffiliation from PAFLU; and (6) the supporting signatures were procured through false pretenses.

Finding that the petition involved the same parties and causes of action as the case previously indorsed to the TUCP, the Med-Arbiter dismissed the petition filed by herein petitioner Villar, which dismissal is still pending appeal before the Bureau of Labor Relations.

In the meantime, on February 14, 1977, the Amigo Employees Union-PAFLU called a special meeting of its general membership. A Resolution was thereby unanimously approved which called for the investigation by the PAFLU national president, pursuant to the constitution and by-laws of the Federation, of all of the petitioners and one Felipe Manlapao, for "continuously maligning, libelling and slandering not only the incumbent officers but even the union itself and the federation;" spreading 'false propaganda' that the union officers were 'merely appointees of the management', and for causing divisiveness in the union.

Pursuant to the Resolution approved by the Amigo Employees Union-PAFLU, the PAFLU, through its national President, formed a Trial Committee to investigate the local union's charges against the petitioners for acts of disloyalty inimical to the interest of the local union, as well as directing the Trial Committee to subpoena the complainants (Amigo Employees Union-PAFLU) and the respondents (herein petitioners) for investigation, to conduct the said investigation and to submit its findings and recommendations for appropriate action.

And on the same date of February 15, 1977, the Amigo Employees Union-PAFLU and the Company concluded a new CBA which, besides granting additional benefits to the workers, also reincorporated the same provisions of the existing CBA, including the union security clause reading, to wit:

"ARTICLE III
UNION SECURITY WITH RESPECT TO PRESENT MEMBERS

All members of the UNION as of the signing of this Agreement shall remain members thereof in good standing. Therefore, any members who shall resign, be expelled, or shall in any manner cease to be a member of the UNION, shall be dismissed from his employment upon written request of the UNION to the Company."[2]

Subsequently, petitioners were summoned to appear before the PAFLU Trial Committee for the aforestated investigation of the charges filed against them by the Amigo Employees Union-PAFLU. Petitioners, however, did not attend but requested for a "Bill of Particulars" of the charges, which charges were stated by the Chairman of the committee as follows:

"1. Disaffiliating from PAFLU and affiliating with the Federation of Unions of Rizal (FUR).

"2. Filing petition for certification election with the Bureau of Labor Relations and docketed as Case No. R04-MED-830-77 and authorizing a certain Dolores Villar as your authorized representative without the official sanction of the mother Federation-PAFLU.

"3. Maligning, libelling and slandering the incumbent officers of the union as well as of the PAFLU Federation.

"4. By spreading false propaganda among members of the Amigo Employees Union-PAFLU that the incumbent union officers are 'merely appointees' of the management.

"5. By sowing divisiveness instead of togetherness among members of the Amigo Employees Union-PAFLU.

> "6. By conduct unbecoming as members of the Amigo Employees Union-PAFLU which is highly prejudicial to the union as well as to the PAFLU Federation.
>
> "All these charges were formalized in a resolution of the incumbent officers of the Amigo Employees Union-PAFLU dated February 14, 1977."[3]

Not recognizing PAFLU's jurisdiction over their case, petitioners again refused to participate in the investigation rescheduled and conducted on March 9, 1979. Instead, petitioners merely appeared to file their Answer to the charges and moved for a dismissal.

Petitioners contend in their Answer that neither the disaffiliation of the Amigo Employees Union from PAFLU nor the act of filing the petition for certification election constitute disloyalty as these are in the exercise of their constitutional right to self-organization. They further contended that PAFLU was without jurisdiction to investigate their case since the charges, being intra-union problems within the Amigo Employees Union-PAFLU, should be conducted pursuant to the provisions of Article XI, Sections 2, 3, 4 and 5 of the local union's constitution and by-laws.

The complainants, all of whom were the then incumbent officers of the Amigo Employees Union-PAFLU, however, appeared and adduced their evidence supporting the charges against herein petitioners.

Based on the findings and recommendations of the PAFLU trial committee, the PAFLU President, on March 15, 1977, rendered a decision finding the petitioners guilty of the charges and disposing in the last paragraph thereof, to wit,

> "Excepting Felipe Manlapao, the expulsion from the AMIGO EMPLOYEES UNION of all the other nine (9) respondents, Dionisio Ramos, Recitation Bernus, Dolores Villar, Romeo Dequito, Rolando de Guzman, Anselma Andan, Rita Llagas, Benigno Mamaradlo and Orlando Acosta is hereby ordered, and as a consequence the Management of the employer, AMIGO MANUFACTURING, INC. is hereby requested to terminate

> them from their employment in conformity with the security clause in the collective bargaining agreement. Further, the Trial Committee is directed to investigate Felipe Manlapao when he shall have reported back for duty."[4]

Petitioners appealed the Decision to the PAFLU, citing the same grounds as before, and in addition thereto, argued that the PAFLU decision cannot legally invoke a CBA which was unratified, not certified, and entered into without authority from the union general membership, in asking the Company to terminate them from their employment. The appeal was, likewise, denied by PAFLU in a Resolution dated March 28, 1977.

After denying petitioner's appeal, PAFLU on March 28, 1977 sent a letter to the Company stating, to wit:

> "We are furnishing you a copy of our Resolution on the Appeal of the respondent in Administrative Case No. 2, Series of 1977, Amigo Employees Union-PAFLU vs. Dionisio Ramos, et al.
>
> "In view of the denial of their appeal and the Decision of March 15, 1977 having become final and executory we would appreciate full cooperation on your part by implementing the provision of our CBA on security clause by terminating the respondents concerned from their employment."[5]

This was followed by another letter from PAFLU to the Company dated April 25, 1977, reiterating the demand to terminate the employment of the petitioners pursuant to the security clause of the CBA, with a statement absolving the Company from any liability or damage that may arise from petitioner's termination.

Acting on PAFLU's demand, the Company informed PAFLU that it will first secure the necessary clearances to terminate petitioners. By letter dated April 28, 1977, PAFLU requested the Company to put petitioners under preventive suspension pending the application for said clearances to terminate the petitioners, upon a declaration that petitioners' continued stay within the work premises will "result in the threat to the life and limb of the other employees of the company."[6]

Hence, on April 29, 1977, the Company filed the request for clearance to terminate the petitioners before the Department of Labor, Regional Office No. 4. The application, docketed as RO4-Case No. 7-IV-3549-T, stated as cause therefor, "Demand by the Union Pursuant to the Union Security Clause," and further, as effectivity date, "Termination - upon issuance of clearance; suspension — upon receipt of notice of workers concerned."[7] Petitioners were then informed by memorandum dated April 29, 1977 that the Company has applied for clearance to terminate them upon demand of PAFLU, and that each of them were placed under preventive suspension pending the resolution of the said applications. The security guard was, likewise, notified to refuse petitioners entry into the work premises.[8]

In an earlier development, on April 25, 1977, or five days before petitioners were placed under preventive suspension, they filed a complaint with application for preliminary injunction before the same Regional Office No. 4, docketed as RO4-Case No. RD-4-4088-77-T, praying that after due notice and hearing, "(1) A preliminary injunction be issued forthwith to restrain the respondents from doing the act herein complained of, namely: the dismissal of the individual complainants from their employment; (2) After due hearing on the merits of the case, an Order be entered denying and/or setting aside the Decision dated March 15, 1977 and the Resolution dated March 28, 1977, issued by respondent Onofre P. Guevara, National President of respondent PAFLU; (3) The Appeal of the individual complainants to the General Membership of the complainant AMIGO EMPLOYEES UNION, dated March 22, 1977, pursuant to Sections 2, 3, 4 & 5, Article XI in relation of Section 1, Article XII of the Union Constitution and By-Laws, be given due course; and (4) Thereafter, the said preliminary injunction be made permanent, with costs, and with such further orders/reliefs that are just and equitable in the premises."[9]

In these two cases filed before the Regional Office No. 4, the parties adopted their previous positions when they were still arguing before the PAFLU trial committee.

On October 14, 1977, Vicente Leogardo, Jr., Officer-in-Charge of Regional Office No. 4, rendered a decision jointly resolving said two cases, the dispositive portion of which states, to wit:

> "IN VIEW OF THE FOREGOING, judgment is hereby rendered granting the application of the Amigo Manufacturing, Inc., for clearance to terminate the employment of Dolores D. Villar, Dionisio Ramos, Benigno Mamaraldo, Orlando Acosta, Recitacion Bernus, Anselma Andan, Rolando de Guzman, and Rita Llagas. The application of oppositors, under RO4-Case No. RD-4-4088-77, for a preliminary injunction to restrain the Amigo Manufacturing, Inc. from terminating their employment and from placing them under preventive suspension, is hereby DISMISSED."[10]

Not satisfied with the decision, petitioners appealed to the Office of the Secretary of Labor. By Order dated February 15, 1979, the respondent Amado G. Inciong, Deputy Minister of Labor, dismissed their appeal for lack of merit.[11]

Hence, the instant petition for review, raising the following issues:

> "A. Is it not error in both constitutional and statutory law by the respondent Minister when he affirmed the decision of the RO4-Officer-in-Charge allowing the preventive suspension and subsequent dismissal of petitioners by reason of the exercise of their right to freedom of association?
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> B. Is it not error in law by the respondent Minister when he upheld the decision of the RO4 OIC which sustained the availment of the respondent PAFLU's constitution over that of the local union constitution in the settlement of intra-union dispute?
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> C. Is it not error in law amounting to grave abuse of discretion by the Minister in affirming the conclusion made by the RO4 OIC, upholding the legal applicability of the security clause of a CBA over alleged offenses committed earlier

than its conclusion, and within the 60-day freedom period of an old CBA?"[12]

The main thrust of the petition is the alleged illegality of the dismissal of the petitioners by private respondent Company upon demand of PAFLU which invoked the security clause of the collective bargaining agreement between the Company and the local union, Amigo Employees Union-PAFLU. Petitioners contend that the respondent Deputy Minister acted in grave abuse of discretion when he affirmed the decision granting the clearance to terminate the petitioners and dismissed petitioners' complaint, and in support thereof, allege that their constitutional right to self-organization had been impaired. Petitioner's contention lacks merit.

It is true that disaffiliation from a labor union is not open to legal objection. It is implicit in the freedom of association ordained by the Constitution.[13] But this Court has laid down the ruling that a closed shop is a valid form of union security, and such provision in a collective bargaining agreement is not a restriction of the right of freedom of association guaranteed by the Constitution.[14]

In the case at bar, it appears as an undisputed fact that on February 15, 1977, the Company and the Amigo Employees Union-PAFLU entered into a Collective Bargaining Agreement with a union security clause provided for in Article XII thereof which is a reiteration of the same clause in the old CBA. The quoted stipulation for closed-shop is clear and unequivocal and it leaves no room for doubt that the employer is bound, under the collective bargaining agreement, to dismiss the employees, herein petitioners, for non-union membership. Petitioners became non-union members upon their expulsion from the general membership of the Amigo Employees Union-PAFLU on March 15, 1977 pursuant to the Decision of the PAFLU national president.

We reject petitioners' theory that their expulsion was not valid upon the grounds adverted to earlier in this Decision. That PAFLU had the authority to investigate petitioners on the charges filed by their co-employees in the local union and after finding them guilty as charged, to expel them from the roll of membership of the Amigo Employees Union-PAFLU is clear under the constitution of the PAFLU to which

the local union was affiliated. And pursuant to the security clause of the new CBA, reiterating the same clause in the old CBA, PAFLU was justified in applying said security clause. We find no abuse of discretion on the part of the OIC of Regional Office No. 4 in upholding the validity of the expulsion and on the part of the respondent Deputy Minister of Labor in sustaining the same. We agree with the OIC's decision, pertinent portion of which reads:

> "Stripped of non-essentials, the basic and fundamental issue in this case tapers down to the determination of WHETHER OR NOT PAFLU HAD THE AUTHORITY TO INVESTIGATE OPPOSITORS AND, THEREAFTER, EXPEL THEM FROM THE ROLL OF MEMBERSHIP OF THE AMIGO EMPLOYEES UNION-PAFLU.
>
> Recognized and salutary is the principle that when a labor union affiliates with a mother union, it becomes bound by the laws and regulations of the parent organization. Thus, the Honorable Secretary of Labor, in the case of Amador Bolivar, et al. vs. PAFLU, et al., NLRC Case No. LR-133 & MC-476, promulgated on December 3, 1973, declared —
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> > 'When a labor union affiliates with a parent organization or mother union, or accepts a charter from a superior body, it becomes subject to the laws of the superior body under whose authority the local union functions. The constitution, by-laws and rules of the parent body, together with the charter it issues pursuant thereto to the subordinate union, constitute an enforceable contract between the parent body and the subordinate union, and between the members of the subordinate union inter se.' (Citing Labor Unions, Dangel and Shriber, pp. 279-280).
>
> It is undisputable that oppositors were members of the Amigo Employees Union at the time that said union affiliated with PAFLU; hence, under the afore-quoted principle, oppositors are bound by the laws and regulations of PAFLU.
>
> Likewise, it is undeniable that in the investigation of the charges against them, oppositors were accorded 'due process', because

in this jurisdiction, the doctrine is deeply entrenched that the term 'due process' simply means that the parties were given the opportunity to be heard. In the instant case, ample and unmistakable evidence exists to show that the oppositors were afforded the opportunity to present their evidence, but they themselves disdained or spurned the said opportunity given to them.

PAFLU, therefore, correctly and legally acted when, pursuant to its Constitution and By-Laws, it conducted and proceeded with the investigation of the charges against the oppositors and found them guilty of acts prejudicial and inimical to the interests of the Amigo Employees Union-PAFLU, to wit: that of falsely and maliciously slandering the officers of the union; spreading false propaganda among the members of the Amigo Employees Union-PAFLU; calling the incumbent officers as mere appointees and robots of management; calling the union company-dominated or assisted union; committing acts unbecoming of the members of the union and destructive of the union and its members.

Inherent in every labor union, or any organization for that matter, is the right of self-preservation. When members of a labor union, therefore, sow the seeds of dissension and strife within the union; when they seek the disintegration and destruction of the very union to which they belong; they thereby forfeit their rights to remain as members of the union which they seek to destroy. Prudence and equity, as well as the dictates of law and justice, therefore, compelling mandate the adoption by the labor union of such corrective and remedial measures, in keeping with its laws and regulations, for its preservation and continued existence; lest by its folly and inaction, the labor union crumble and fall.

Correctly and legally, therefore, the PAFLU acted when, after proper investigation and finding of guilt, it decided to remove the oppositors from the list of members of the Amigo Employees Union-PAFLU, and thereafter, recommended to the Amigo Manufacturing, Inc.; the termination of the employment of the oppositors."[15]

We see no reason to disturb the same.

The contention of petitioners that the charges against them being intra-union problems, should have been investigated in accordance with the constitution and by-laws of the Amigo Employees Union-PAFLU and not of the PAFLU, is not impressed with merit. It is true that under the Implementing Rules and Regulations of the Labor Code, in case of intra-union disputes, redress must first be sought within the organization itself in accordance with its constitution and by-laws. However, it has been held that this requirement is not absolute but yields to exception under varying circumstances. Thus, in Kapisanan ng mga Manggagawa sa MRR vs. Hernandez, 20 SCRA 109, We held:

> "In the case at bar, noteworthy is the fact that the complaint was filed against the union and its incumbent officers, some of whom were members of the board of directors. The constitution and by-laws of the union provide that charges for any violations thereof shall be filed before the said board. But as explained by the lower court, if the complainants had done so the board of directors would in effect be acting as respondent investigator and judge at the same time. To follow the procedure indicated would be a farce under the circumstances, where exhaustion of remedies within the union itself would practically amount to a denial of justice or would be illusory or vain, it will not be insisted upon, particularly where property rights of the members are involved, as a condition to the right to invoke the aid of a court."

The facts of the instant petition stand on all fours with the aforecited case that the principle therein enunciated applies here as well. In the case at bar, the petitioners were charged by the officers of the Amigo Employees Union-PAFLU themselves who were also members of the Board of Directors of the Amigo Employees Union-PAFLU. Thus, were the petitioners to be charged and investigated according to the local union's constitution, they would have been tried by a trial committee of three (3) elected from among the members of the Board who are themselves the accusers. (Section 2, Article 11, Constitution of the Local Union). Petitioners would be in a far worse position had

this procedure been followed. Nonetheless, petitioners admit in their petition that two (2) of the six (6) charges, i.e. disaffiliation and filing a petition for certification election, are not intra-union matters and, therefore, are cognizable by PAFLU.

Petitioners insist that their disaffiliation from PAFLU and filing a petition for certification election are not acts of disloyalty but an exercise of their right to self-organization. They contend that these acts were done within the 60-day freedom period when questions of representation may freely be raised. Under the peculiar facts of the case, We find petitioners' insistence untenable.

In the first place, had petitioners merely disaffiliated from the Amigo Employees Union-PAFLU, there could be no legal objections thereto for it was their right to do so. But what petitioners did by the very clear terms of their "Sama-Samang Kapasiyahan" was to disaffiliate the Amigo Employees Union-PAFLU from PAFLU, an act which they could not have done with any effective consequence because they constituted the minority in the Amigo Employees Union-PAFLU.

Extant from the records is the fact that petitioners numbering ten (10), were among the ninety-six (96) who signed the "Sama-Samang Kapasiyahan" whereas there are two hundred thirty four (234) union members in the Amigo Employees Union-PAFLU. Hence, petitioners constituted a small minority for which reason they could not have successfully disaffiliated the local union from PAFLU. Since only 96 wanted disaffiliation, it can be inferred that the majority wanted the union to remain an affiliate of PAFLU and this is not denied or disputed by petitioners. The action of the majority must, therefore, prevail over that of the minority members.[16]

Neither is there merit to petitioners' contention that they had the right to present representation issues within the 60-day freedom period. It is true, as contended by petitioners, that under Article 257 of the Labor Code and Section 3, Rule 2, Book 2 of its Implementing Rules, questions of exclusive bargaining representation are entertainable within the sixty (60) days prior to the expiry date of an existing CBA, and that they did file a petition for certification election within that period. But the petition was filed in the name of the Amigo Employees Union which had not disaffiliated from PAFLU, the

mother union. Petitioners being a mere minority of the local union may not bind the majority members of the local union.

Moreover, the Amigo Employees Union, as an independent union, is not duly registered as such with the Bureau of Labor Relations. The appealed decision of OIC Leogardo of Regional Office No. 4 states as a fact that there is no record in the Bureau of Labor Relations that the Amigo Employees Union (Independent) is registered, and this is not disputed by petitioners, notwithstanding their allegation that the Amigo Employees Union is a duly registered labor organization bearing Ministry of Labor Registration Certification No. 5290-IP dated March 27, 1967. But the independent union organized after the "Sama-Samang Kapasiyahan" executed February 7, 1977 could not have been registered earlier, much less March 27, 1967 under Registration Certificate No. 5290-IP. As such unregistered union, it acquires no legal personality and is not entitled to the rights and privileges granted by law to legitimate labor organizations upon issuance of the certificate of registration. Article 234 of the New Labor Code specifically provides:

> "Art. 234. Requirements of Registration. — Any applicant labor organization, association, or group of unions or workers shall acquire legal personality and shall be entitled to the rights and privileges granted by law to legitimate labor organizations upon issuance of the certificate of registration."

In Phil. Association of Free Labor Unions vs. Sec. of Labor, 27 SCRA 40, We had occasion to interpret Section 23 of R.A. No. 875 (Industrial Peace Act) requiring of labor unions registration by the Department of Labor in order to qualify as "legitimate labor organization," and We said:

> "The theory to the effect that Section 23 of Republic Act No. 875 unduly curtails the freedom of assembly and association guaranteed in the Bill of Rights is devoid of factual basis. The registration prescribed in paragraph (b) of said section[17] is not a limitation to the right of assembly or association, which may be exercised with or without said registration. The latter is merely a condition sine qua non for the acquisition of legal personality by labor organizations, associations or unions and

> the possession of the 'rights and privileges granted by law to legitimate labor organizations.' The Constitution does not guarantee these rights and privileges, much less said personality, which are mere statutory creations, for the possession and exercise of which registration is required to protect both labor and the public against abuses, fraud, or impostors who pose as organizers, although not truly accredited agents of the union they purport to represent. Such requirement is a valid exercise of the police power, because the activities in which labor organizations, associations and union or workers are engaged affect public interest, which should be protected."

Simply put, the Amigo Employees Union (Independent) which petitioners claim to represent, not being a legitimate labor organization, may not validly present representation issues. Therefore, the act of petitioners cannot be considered a legitimate exercise of their right to self-organization. Hence, We affirm and reiterate the rationale explained in Phil. Association of Free Labor Unions vs. Sec. of Labor case, supra, in order to protect legitimate labor and at the same time maintain discipline and responsibility within its ranks.

The contention of petitioners that the new CBA concluded between Amigo Employees Union-PAFLU and the Company on February 15, 1977 containing the union security clause cannot be invoked as against the petitioners for offenses committed earlier than its conclusion, deserves scant consideration. We find it to be the fact that the union security clause provided in the new CBA merely reproduced the union security clause provided in the old CBA about to expire. And since petitioners were expelled from Amigo Employees Union-PAFLU on March 28, 1982 upon denial of their Motion for Reconsideration of the decision expelling them, the CBA of February 15, 1977 was already applicable to their case. The "closed-shop provision" in the CBA provides:

> "All members of the UNION as of the signing of this Agreement shall remain members thereof in good standing. Therefore, any members who shall resign, be expelled, or shall in any manner cease to be a member of the UNION, shall be dismissed from

his employment upon written request of the UNION to the Company." (Art. III).

A closed-shop is a valid form of union security, and a provision therefor in a collective bargaining agreement is not a restriction of the right of freedom of association guaranteed by the Constitution. (Manalang, et al. vs. Artex Development Co., Inc., et al., L-20432, October 30, 1967, 21 SCRA 51). Where in a closed-shop agreement it is stipulated that union members who cease to be in good standing shall immediately be dismissed, such dismissal does not constitute an unfair labor practice exclusively cognizable by the Court of Industrial Relations. (Seno vs. Mendoza, 21 SCRA 1124).

Finally, We reject petitioners' contention that respondent Minister committed error in law amounting to grave abuse of discretion when he affirmed the conclusion made by the RO4 OIC, upholding the legal applicability of the security clause of a CBA over alleged offenses committed earlier than its conclusion and within the 60-day freedom period of an old CBA. In the first place, as We stated earlier, the security clause of the new CBA is a reproduction or reiteration of the same clause in the old CBA. While petitioners were charged for alleged commission of acts of disloyalty inimical to the interests of the Amigo Employees Union - PAFLU in the Resolution of February 14, 1977 of the Amigo Employees Union-PAFLU and on February 15, 1977 PAFLU and the Company entered into and concluded a new collective bargaining agreement, petitioners may not escape the effects of the security clause under either the old CBA or the new CBA by claiming that the old CBA had expired and that the new CBA cannot be given retroactive enforcement. To do so would be to create a gap during which no agreement would govern, from the time the old contract expired to the time a new agreement shall have been entered into with the union. As this Court said in Seno vs. Mendoza, 21 SCRA 1124, "without any agreement to govern the relations between labor and management in the interim, the situation would well be productive of confusion and result in breaches of the law by either party."

The case of Seno vs. Mendoza, 21 SCRA 1124 mentioned previously needs further citation of the facts and the opinion of the Court, speaking through Justice Makalintal who later became Chief Justice, and We quote:

> "It appears that petitioners other than Januario T. Seno, who is their counsel, were members of the United Seamen's Union of the Philippines. Pursuant to a letter-request of the Union stating that they 'had ceased to be members in good standing' and citing a closed shop clause in its bargaining agreement with respondent Carlos A. Go Thong & Co., the latter dismissed said petitioners. Through counsel, petitioners requested that they be reinstated to their former positions and paid their backwages, otherwise they would picket respondents' offices and vessels. The request was denied on the ground that the dismissal was unavoidable under the terms of the collective bargaining agreement."

We, therefore, hold and rule that petitioners, although entitled to disaffiliate from their union and form a new organization of their own, must, however, suffer the consequences of their separation from the union under the security clause of the CBA.

WHEREFORE, IN VIEW OF ALL THE FOREGOING, the Order appealed from affirming the joint decision of the OIC of Regional Office No. 4 in RO4-Case No. T-IV-3549-T and RO4 Case No. RD-4-4088-77-T granting clearance to terminate petitioners as well as dismissing their complaint with application for preliminary injunction, is hereby **AFFIRMED**. No costs.

SO ORDERED.

Makasiar, *J.*, *(Chairman)*, Concepcion Jr., De Castro and Escolin, *JJ.*, concur.
Aquino, *J.*, is on leave.

SEPARATE OPINIONS

ABAD SANTOS, J., concurring:

My vote is to dismiss the petition by minute resolution for lack of merit.

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[1] p. 11, Rollo.
[2] p. 80, Rollo.
[3] p. 12, Rollo.
[4] p. 15, Rollo.
[5] p. 15, Rollo.
[6] Annex "E-1", Comment of the Company, p. 117, Rollo.
[7] Annex "F", Comment of the Company, pp. 119-120, Rollo.
[8] Annex "G", Petition, pp. 45-46, Rollo.
[9] Annex "H", Petition, pp. 51-52, Rollo.
[10] Annex "B", Petition, p. 38, Rollo.
[11] Annex "A", Petition, pp. 26-27, Rollo.
[12] Petition, p. 19, Rollo.
[13] Philippine Labor Alliance Council (PLAC) vs. Bureau of Labor Relations, 75 SCRA 162.
[14] Lirag Textile Mills, Inc. vs. Blanco, 109 SCRA 87; Manalang vs. Artex Dev. Co., Inc., 21 SCRA 562; Victorias Milling Co., Inc. vs. Victorias-Manapla Workers Organization-PAFLU, 9 SCRA 154.
[15] pp. 31-33, Rollo.
[16] Jesalva, et al. vs. Hon. Bautista and Premiere Productions, Inc., 105 Phil. 348; Dionela, et al. vs. CIR, 8 SCRA 832.
[17] "Any labor organization, association or union of workers duly organized for the material, intellectual and moral well-being of its members shall acquire legal personality and be entitled to all the rights and privileges granted by law to labor legitimate labor organizations within thirty days of filing with the office of the Secretary of Labor, notice of its due organization and existence and the following documents, together with the amount of five pesos as registration fee, except as provided in paragraph 'D' of this section."