

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
SECOND DIVISION**

**VOLKSCHHEL LABOR UNION,
*Petitioner,***

-versus-

**G.R. No. L-45824
June 19, 1985**

**BUREAU OF LABOR RELATIONS,
ASSOCIATED LABOR UNION FOR
METAL WORKERS, DMG, INC.,
PEOPLE'S CAR, INC., KARBAYAN,
INC., and RTC TRADING, INC.,
*Respondents.***

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DECISION

CUEVAS, J.:

Petition for *Certiorari* to Review the Resolutions dated January 25, 1977 and March 14, 1977 of the Bureau of Labor Relations.

On April 25, 1977, however, a Supplemental Petition was filed seeking the issuance of —

- (1) A preliminary mandatory injunction commanding respondents to return to petitioner the union dues amounting to about P55,000.00 lawfully pertaining to it

but illegally levied upon, collected and handed over by respondent Bureau, acting through the NLRC sheriff, to respondent Associated Labor Union for Metalworkers, with the collusion of respondents DMG, Inc., Karbayan, Inc. and RTC Machineries, Inc.;

- (2) A preliminary restraining order prohibiting respondents from making further delivery to respondent Associated Labor Union for Metalworkers of Union dues collected or to be collected through check-off from the wages of petitioner's members by respondents, DMG, Inc., Karbayan, Inc., RTC Machineries, Inc., and People's Car, Inc., under or by virtue of the questioned writ of execution issued by respondent Bureau, dated April 4, 1977.

Petitioner was once affiliated with the Associated Labor Union for Metal Workers (ALUMETAL for short). On August 1, 1975, both unions, using the name Volkschel Labor Union Associated Labor Union for Metal Workers, jointly entered into a collective bargaining agreement with respondent companies. One of the subjects dealt with is the payment of union dues which is provided for in Section 3, Article I, of the CBA, which reads:

“Section 3. CHECK-OFF. — The COMPANY agrees to make payroll deductions not oftener than twice a month of UNION membership dues and such special assessments fees or fines as may be duly authorized by the UNION, provided that the same is covered by the individual check-off authorization of the UNION members. All said deductions shall be promptly transmitted within five (5) days by the COMPANY to the UNION Treasurer. The COMPANY shall prepare two (2) checks. One (1) check will be under the name of the local union as their local fund including local special assessment funds and the other check will be for the ALU Regional Office regarding the remittance of the UNION dues deduction.”

On March 10, 1976, a majority of petitioner's members decided to disaffiliate from respondent federation in order to operate on its own as an independent labor group pursuant to Article 241 (formerly

Article 240) of the Labor Code of the Philippines, the pertinent portion of which reads:

“Incumbent affiliates of existing federations or national unions may disaffiliate only for the purpose of joining a federation or national union in the industry or region in which it properly belongs or for the purpose of operating as an independent labor group.”

Accordingly, a resolution was adopted and signed by petitioner’s members revoking their check-off authorization in favor of ALUMETAL and notices thereof were served on ALUMETAL and respondent companies.

Confronted with the predicament of whether or not to continue deducting from employees’ wages and remitting union dues to respondent ALUMETAL which wrote respondent companies advising them to continue deducting union dues and remitting them to said federation, respondent companies sought the legal opinion of the respondent Bureau as regards the controversy between the two unions. On November 11, 1976, Med-Arbiter George A. Eduvalla of respondent Bureau rendered a Resolution which in effect found the disaffiliation legal but at the same time gave the opinion that petitioner’s members should continue paying their dues to ALUMETAL in the concept of agency fees.^[1]

From the said Resolution of the Med-Arbiter both petitioner and respondent ALUMETAL appealed to the Director of respondent Bureau. Petitioner contended that the Med-Arbiter’s opinion to the effect that petitioner’s members remained obligated to pay dues to respondent ALUMETAL was inconsistent with the dispositive finding that petitioner’s disaffiliation from ALUMETAL was valid. ALUMETAL, on the other hand, assailed the Resolution in question asserting that the disaffiliation should have been declared contrary to law.

On January 25, 1977, respondent Bureau, through its Acting Director, Francisco L. Estrella, REVERSED the Med-Arbiter’s Resolution, and declared that the Bureau recognized “the continued affiliation of

Volkschel Labor Union with the Associated Labor Union for Metal Workers.”^[2]

Petitioner appealed the Acting Director’s Resolution to the Secretary of Labor (now Minister of Labor and Employment) who, treating the appeal as a Motion for Reconsideration, referred the same back to respondent Bureau. On March 14, 1977, the Bureau denied the appeal for lack of merit.

Hence, the instant petition.

Meanwhile, on April 4, 1977, on motion of ALUMETAL, the then Acting Secretary of Labor, Amado Gat Inciong, issued a writ of execution commanding the Sheriff of the National Labor Relations Commission “to enforce and execute the order of January 25, 1977, which has become final and executory.^[3] Pursuant thereto, the NLRC Sheriff enforced and implemented the Order of January 25, 1977, as a result of which respondent companies turned over and handed to respondent federation the union dues and other assessments in accordance with the check-off provision of the CBA.

From the pleadings filed and arguments of counsel, the following issues present themselves for this Court’s resolution.

I

Is petitioner union’s disaffiliation from respondent federation valid?

II

Do respondent companies have the right to effect union dues collections despite revocation by the employees of the check-off authorization? and

III

Is respondent federation entitled to union dues payments from petitioner union’s members notwithstanding their disaffiliation from said federation?

We resolve the first issue in the affirmative.

The right of a local union to disaffiliate from its mother union is well-settled. In previous cases, it has been repeatedly held that a local union, being a separate and voluntary association, is free to serve the interest of all its members including the freedom to disaffiliate when circumstances warrant.^[4] This right is consistent with the Constitutional guarantee of freedom of association (Article IV, Section 7, Philippine Constitution).

Petitioner contends that the disaffiliation was not due to any opportunists motives on its part. Rather it was prompted by the federation's deliberate and habitual dereliction of duties as mother federation towards petitioner union. Employees' grievances were allegedly left unattended to by respondent federation to the detriment of the employees' rights and interests.

In reversing the Med-Arbiter's resolution, respondent Bureau declared: the Department of Labor is set on a task to restructure the labor movement to the end that the workers will unite themselves along industry lines. Carried to its complete fruition, only one union for every industry will remain to bargain collectively for the workers. The clear policy therefore even now is to conjoin workers and worker groups, not to dismember them.^[5] This policy is commendable. However, we must not lose sight of the constitutional mandate of protecting labor and the workers' right to self-organization. In the implementation and interpretation of the provisions of the Labor Code and its implementing regulations, the workingman's welfare should be the primordial and paramount consideration. In the case at bar, it would go against the spirit of the labor law to restrict petitioner's right to self-organization due to the existence of the CBA. We agree with the Med-Arbiter's opinion that "A disaffiliation does not disturb the enforceability and administration of a collective agreement; it does not occasion a change of administrators of the contract nor even an amendment of the provisions thereof."^[6] But nowhere in the record does it appear that the contract entered into by the petitioner and ALUMETAL prohibits the withdrawal of the former from the latter.

This now brings us to the second issue. Under Section 3, Article I, of the CBA, the obligation of the respondent companies to deduct and remit dues to ALUMETAL is conditioned on the individual check-off authorization of petitioner's members. In other words, ALUMETAL is entitled to receive the dues from respondent companies as long as petitioner union is affiliated with it and respondent companies are authorized by their employees (members of petitioner union) to deduct union dues. Without said affiliation, the employer has no link to the mother union. The obligation of an employee to pay union dues is coterminous with his affiliation or membership. "The employees' check-off authorization, even if declared irrevocable, is good only as long as they remain members of the union concerned."^[7] A contract between an employer and the parent organization as bargaining agent for the employees is terminated by the disaffiliation of the local of which the employees are members.^[8] Respondent companies therefore were wrong in continuing the check-off in favor of respondent federation since they were duly notified of the disaffiliation and of petitioner's members having already rescinded their check-off authorization.

With the view we take on those two issues, we find no necessity in dwelling further on the last issue. Suffice it to state that respondent federation is not entitled to union dues payments from petitioner's members. "A local union which has validly withdrawn from its affiliation with the parent association and which continues to represent the employees of an employer is entitled to the check-off dues under a collective bargaining contract."^[9]

WHEREFORE, the Resolutions of the Bureau of Labor Relations of January 25, 1977 and March 14, 1977 are **REVERSED** and **SET ASIDE**. Respondent **ALUMETAL** is ordered to return to petitioner union all the union dues enforced and collected through the NLRC Sheriff by virtue of the writ of execution dated April 4, 1977 issued by respondent Bureau.

No costs.

SO ORDERED.

Makasiar, Aquino, Concepcion, Jr., Abad Santos and Escolin, JJ., concur.

- [1] Annex "A", Pages 2-3.
- [2] Annex "C", Page 3.
- [3] Annex "A", Supplemental Petition.
- [4] Liberty Cotton Mills Workers Union vs. Liberty Cotton Mills, 66 SCRA 512; People's Industrial & Commercial Employees and Workers Organization (FFW) vs. People's Industrial & Commercial Corporation, 112 SCRA 440.
- [5] Annex "C", Page 2.
- [6] Annex "A", Page 2.
- [7] Phil. Federation of Petroleum Workers vs. Court of Industrial Relations, 37 SCRA 711.
- [8] 51 C.J.S. 865 (citing Textile Workers Union of America, C.I.O. versus Bellman Brook Bleaching Company).
- [9] Footnote text not supplied in the original.