

## FIRST DIVISION

[ G.R. No. 169254, August 23, 2012 ]

**DE LA SALLE UNIVERSITY, PETITIONER, VS. DE LA SALLE  
UNIVERSITY EMPLOYEES ASSOCIATION (DLSUEA-NAFTEU),  
RESPONDENT.**

### D E C I S I O N

**LEONARDO-DE CASTRO, J.:**

Before this Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court assailing the March 4, 2005 Decision<sup>[1]</sup> and August 5, 2005 Resolution<sup>[2]</sup> of the Court of Appeals in CA-G.R. SP No. 82472, entitled *De La Salle University versus the Honorable Secretary of Labor and De La Salle University Employees Association (DLSUEA-NAFTEU)*, which affirmed the November 17, 2003 Decision<sup>[3]</sup> and January 20, 2004 Order<sup>[4]</sup> of the Secretary of Labor in OS-AJ-0033-2003 (NCMB-NCR-NS-08-246-03). These decisions and resolutions consistently found petitioner guilty of unfair labor practice for failure to bargain collectively with respondent.

This petition involves one of the three notices of strike filed by respondent De La Salle University Employees Association (DLSUEA-NAFTEU) against petitioner De La Salle University due to its refusal to bargain collectively with it in light of the intra-union dispute between respondent's two opposing factions. The following narration of facts will first discuss the circumstances surrounding the said intra-union conflict between the rival factions of respondent union and, thereafter, recite the cases relating to the aforementioned conflict, from the complaint for unfair labor practice to the subsequent notices of strike, and to the assumption of jurisdiction by the Secretary of Labor.

**Petition for Election of  
Union Officers**

On May 30, 2000, some of respondent's members headed by Belen Aliazas (the Aliazas faction) filed a petition for the election of union officers in the Bureau of Labor Relations (BLR).<sup>[5]</sup> They alleged therein that there has been no election for respondent's officers since 1992 in supposed violation of the respondent union's constitution and by-laws which provided for an election of officers every three years.

<sup>[6]</sup> It would appear that respondent's members repeatedly voted to approve the hold-over of the previously elected officers led by Baylon R. Bañez (Bañez faction) and to defer the elections to expedite the negotiations of the economic terms covering the last two years of the 1995-2000 collective bargaining agreement (CBA) <sup>[7]</sup> pursuant to Article 253-A of the Labor Code.<sup>[8]</sup>

On March 19, 2001, BLR Regional Director Alex E. Maraan issued a Decision ordering the conduct of an election of union officers to be presided by the Labor Relations

Division of the Department of Labor and Employment-National Capital Region (DOLE-NCR).<sup>[9]</sup> He noted therein that the members of the Bañez faction were not elected by the general membership but were appointed by the Executive Board to their positions since 1985.<sup>[10]</sup>

The Bañez faction appealed the said March 19, 2001 Decision of the BLR Regional Director.

While the appeal was pending, the Alianzas faction filed a Very Urgent Motion for Intervention in the BLR. They alleged therein that the Bañez faction, in complete disregard of the March 19, 2001 Decision, scheduled a "regular" election of union officers without notice to or participation of the DOLE-NCR.<sup>[11]</sup>

In an Order dated July 6, 2001, BLR Director IV Hans Leo J. Cacdac granted the motion for intervention.<sup>[12]</sup> He held that the unilateral act of setting the date of election on July 9, 2001 and the disqualification of the Alianzas faction by the DLSUEA-COMELEC supported the intervening faction's fear of biased elections.<sup>[13]</sup>

Thereafter, in a Resolution dated May 23, 2002, BLR Director Cacdac dismissed the appeal of the Bañez faction. The salient portions thereof stated:

The exercise of a union member's basic liberty to choose the union leadership is guaranteed in Article X of [respondent's] constitution and by-laws. Section 4 mandates the conduct of a regular election of officers on the first Saturday of July and on the same date every three years thereafter.

In unequivocal terms, Article 241(c) of the Labor Code states that "[t]he members shall directly elect their officers, including those of the national union or federation, to which they or their union is affiliated, by secret ballot at intervals of five (5) years."

**[The Bañez faction] admitted that no elections were conducted in 1992 and 1998, when the terms of office of the officers expired.**

This Office emphasizes that even the decision to dispense with the elections

and allow the hold-over officers to continue should have been subjected to a secret ballot under Article 241(d) which states:

The members shall determine by secret ballot, after due deliberation, any question of major policy affecting the entire membership of the organization, unless the nature of the organization or force majeure renders such secret ballot impractical, in which case the board of directors of the organization may make the decision in behalf of the general membership.

**With the clear and open admission that no election transpired even after the expiration of the union officers' terms of office, the**

**call for the conduct of elections by the Regional Director was valid and should be sustained.**<sup>[14]</sup> (Emphases supplied.)

Subsequently, in a memorandum dated May 16, 2003, BLR Director Cacdac stated that there was no void in the union leadership as the March 19, 2001 Decision of Regional Director Maraan did not automatically terminate the Bañez faction's tenure in office. He explained therein that "[a]s duly-elected officers of [respondent], their leadership is not deemed terminated by the expiration of their terms of office, for they shall continue their functions and enjoy the rights and privileges pertaining to their respective positions in a hold-over capacity, until their successors shall have been elected and qualified."<sup>[15]</sup>

On August 28, 2003, an election of union officers under the supervision of the DOLE was conducted. The Bañez faction emerged as the winner thereof.<sup>[16]</sup> The Alianzas faction contested the election results.

On October 29, 2003, the Bañez faction was formally proclaimed as the winner in the August 28, 2003 election of union officers.<sup>[17]</sup>

### **The Complaint for Unfair Labor Practices and Three Notices of Strike**

On March 20, 2001, despite the brewing conflict between the Alianzas and Bañez factions, petitioner entered into a five-year CBA covering the period from June 1, 2000 to May 31, 2005.<sup>[18]</sup>

On August 7, 2001, the Alianzas faction wrote a letter to petitioner requesting it to place in escrow the union dues and other fees deducted from the salaries of employees pending the resolution of the intra-union conflict.

We quote the pertinent portion of the letter here:

The [BLR], in its March 19, 2001 [decision], declared that the hold-over capacity as president of Mr. Baylon Bañez, as well as that of the other officers [of respondent] has been extinguished. It was likewise stated in the [decision] that "to further defer the holding of a local election is whimsical, capricious and is a violation of the union members' rights under Article 241 and [is] punishable by expulsion."

This being so, we would like to request [petitioner] to please put on escrow all union dues/agency fees and whatever money considerations deducted from salaries of the concerned co-academic personnel until such time that an election of union officials has been scheduled and subsequent elections has been held. We fully understand that putting the collection on escrow means the continuance of our monthly deductions but the same will not be remitted to [respondent's] funds.<sup>[19]</sup>

Petitioner acceded to the request of the Alianzas faction and informed the Bañez faction of such fact in a letter dated August 16, 2001. Petitioner explained:

It is evident that the intra-union dispute between the incumbent set of officers of your Union on one hand and a sizeable number of its members on the other hand has reached serious levels. By virtue of the 19 March 2001 Decision and the 06 July 2001 Order of the Department of Labor and Employment (DOLE), the hold-over authority of your incumbent set of officers has been considered extinguished and an election of new union officers, to be conducted and supervised by the DOLE, has been directed to be held. **Until the result of this election [come] out and a declaration by the DOLE of the validly elected officers is made, a void in the Union leadership exists.**

In light of these circumstances, the University has no other alternative but to temporarily do the following:

1. Establish a savings account for the Union where all the collected union dues and agency fees will be deposited and held in trust; and
2. Discontinue normal relations with any group within the Union including the incumbent set of officers.

We are informing you of this decision of [petitioner] not only for your guidance but also for the apparent reason that [it] does not want itself to be unnecessarily involved in your intra-union dispute. This is the only way [petitioner] can maintain neutrality on this matter of grave concern. [20] (Emphasis supplied.)

In view of the foregoing decision of petitioner, respondent filed a complaint for unfair labor practice in the National Labor Relations Commission (NLRC) on August 21, 2001.<sup>[21]</sup> It alleged that petitioner committed a violation of Article 248(a) and (g) of the Labor Code which provides:

Article 248. *Unfair labor practices of employers.* It shall be unlawful for an employer to commit any of the following unfair labor practice:

(a) To interfere with, restrain or coerce employees in the exercise of their right to self-organization.

x x x x

(d) To initiate, dominate, assist or otherwise interfere with the formation or administrator of any labor organization, including the giving of financial or other support to it or its organizers or supporters.

Respondent union asserted that the creation of escrow accounts was not an act of neutrality as it was influenced by the Alianzas factions's letter and was an act of

interference with the internal affairs of the union. Thus, petitioner's non-remittance of union dues and discontinuance of normal relations with it constituted unfair labor practice.

Petitioner, for its defense, denied the allegations of respondent and insisted that its actions were motivated by good faith.

Meanwhile, on March 7, 2002, respondent filed a notice of strike in the National Conciliation and Mediation Board (NCMB).<sup>[22]</sup>

Shortly thereafter, or on July 12, 2002, Labor Arbiter Felipe P. Pati dismissed the August 21, 2001 complaint for unfair labor practice against petitioner for lack of merit in view of the May 23, 2002 decision of the BLR, affirming the need to conduct an election of the union's officers.<sup>[23]</sup> The labor arbiter, in effect, upheld the validity of petitioner's view that there was a void in the leadership of respondent.

The July 12, 2002 Decision of Labor Arbiter Pati, however, did not settle matters between respondent and petitioner.

On March 15, 2003, respondent sent a letter to petitioner requesting for the renegotiation of the economic terms for the fourth and fifth years of the then current CBA, to wit:

This refers to the re-negotiation of the economic provisions for the [fourth and fifth] year[s] of the 2000-2005 [CBA] that will commence sometime in March 2003.

In this regard, the [Bañez faction] for and in behalf of [respondent] would like to respectfully request your good office to provide us a copy of the latest Audited Financial Statements of [petitioner,] including its budget performance report so that [petitioner] and [respondent through] their respective authorized representatives could facilitate the negotiations thereof.

We are furnishing [petitioner through] your good self a copy of [our] CBA economic proposals for the [fourth and fifth] year[s] of the 2000-2005 CBA signed by its authorized negotiating panel.

We also request [petitioner] to furnish us a copy of its counter proposals as well as a list of its negotiating panel not later than ten (10) days from receipts of [our] CBA proposals so that [we] and [petitioner] can now proceed with the initial conference to discuss the ground rules that will govern the CBA negotiation.<sup>[24]</sup>

In a letter dated March 20, 2003,<sup>[25]</sup> petitioner denied respondent's request. It stated therein:

Pursuant to the [d]ecisions of appropriate government authority, and consistent with the position enunciated and conveyed to you by