

SECOND DIVISION

[G.R. No. 127374, January 31, 2002]

PHILIPPINE SKYLANDERS, INC., MARILES C. ROMULO AND FRANCISCO DAKILA, PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION, LABOR ARBITER EMERSON TUMANON, PHILIPPINE ASSOCIATION OF FREE LABOR UNIONS (PAFLU) SEPTEMBER (NOW UNIFIED PAFLU) AND SERAFIN AYROSO, RESPONDENTS.

[G.R. No. 127431. January 31, 2002]

PHILIPPINE SKYLANDERS AND WORKERS ASSOCIATION-NCW, MACARIO CABANIAS, PEPITO RODILLAS, SHARON CASTILLO, DANILO CARBONEL, MANUEL EDA, ROLANDO FELIX, JOCELYN FRONDA, RICARDO LUMBA, JOSEPH MARISOL, NERISA MORTEL, TEOFILO QUIRONG, LEONARDO REYES, MANUEL CADIENTE AND HERMINIA RIOSA, PETITIONERS, VS. PHILIPPINE ASSOCIATION OF FREE LABOR UNIONS (PAFLU) SEPTEMBER (NOW UNIFIED PAFLU) AND NATIONAL LABOR RELATIONS COMMISSION, SECOND DIVISION, RESPONDENTS.

DECISION

BELLOSILLO, J.:

This is a petition for certiorari^[1] seeking to set aside the 31 July 1996 Decision^[2] of the National Labor Relations Commission affirming the 30 June 1995 Decision of the Labor Arbiter holding petitioners Philippine Skylanders, Inc., Mariles C. Romulo^[3] and Francisco Dakila as well as the elected officers of the Philippine Skylanders Employees and Workers Association-PAFLU^[4] guilty of unfair labor practice and ordering them to pay private respondent Philippine Association of Free Labor Union (PAFLU) September^[5] P150,000.00 as damages. Petitioners likewise seek the reversal of the 31 October 1996 Resolution of the NLRC denying their Motion for Reconsideration.

In November 1993 the Philippine Skylanders Employees Association (PSEA), a local labor union affiliated with the Philippine Association of Free Labor Unions (PAFLU) September (PAFLU), won in the certification election conducted among the rank and file employees of Philippine Skylanders, Inc. (PSI). Its rival union, Philippine Skylanders Employees Association-WATU (PSEA-WATU) immediately protested the result of the election before the Secretary of Labor.

Several months later, pending settlement of the controversy, PSEA sent PAFLU a notice of disaffiliation citing as reason PAFLU's supposed deliberate and habitual dereliction of duty toward its members. Attached to the notice was a copy of the resolution adopted and signed by the officers and members of PSEA authorizing

their local union to disaffiliate from its mother federation.

PSEA subsequently affiliated itself with the National Congress of Workers (NCW), changed its name to Philippine Skylanders Employees Association - National Congress of Workers (PSEA-NCW), and to maintain continuity within the organization, allowed the former officers of PSEA-PAFLU to continue occupying their positions as elected officers in the newly-forged PSEA-NCW.

On 17 March 1994 PSEA-NCW entered into a collective bargaining agreement with PSI which was immediately registered with the Department of Labor and Employment.

Meanwhile, apparently oblivious to PSEA's shift of allegiance, PAFLU Secretary General Serafin Ayroso wrote Mariles C. Romulo requesting a copy of PSI's audited financial statement. Ayroso explained that with the dismissal of PSEA-WATU's election protest the time was ripe for the parties to enter into a collective bargaining agreement.

On 30 July 1994 PSI through its personnel manager Francisco Dakila denied the request citing as reason PSEA's disaffiliation from PAFLU and its subsequent affiliation with NCW.

Agitated by PSI's recognition of PSEA-NCW, PAFLU through Serafin Ayroso filed a complaint for unfair labor practice against PSI, its president Mariles Romulo and personnel manager Francisco Dakila. PAFLU alleged that aside from PSI's refusal to bargain collectively with its workers, the company through its president and personnel manager, was also liable for interfering with its employees' union activities.^[6]

Two (2) days later or on 6 October 1994 Ayroso filed another complaint in behalf of PAFLU for unfair labor practice against Francisco Dakila. Through Ayroso PAFLU claimed that Dakila was present in PSEA's organizational meeting thereby confirming his illicit participation in union activities. Ayroso added that the members of the local union had unwittingly fallen into the manipulative machinations of PSI and were lured into endorsing a collective bargaining agreement which was detrimental to their interests.^[7] The two (2) complaints were thereafter consolidated.

On 1 February 1995 PAFLU amended its complaint by including the elected officers of PSEA-PAFLU as additional party respondents. PAFLU averred that the local officers of PSEA-PAFLU, namely Macario Cabanias, Pepito Rodillas, Sharon Castillo, Danilo Carbonel, Manuel Eda, Rolando Felix, Jocelyn Fronda, Ricardo Lumba, Joseph Mirasol, Nerisa Mortel, Teofilo Quirong, Leonardo Reyes, Manuel Cadiente, and Herminia Riosa, were equally guilty of unfair labor practice since they brazenly allowed themselves to be manipulated and influenced by petitioner Francisco Dakila.^[8]

PSI, its president Mariles C. Romulo, and its personnel manager Dakila moved for the dismissal of the complaint on the ground that the issue of disaffiliation was an inter-union conflict which lay beyond the jurisdiction of the Labor Arbiter. On the other hand, PSEA-NCW took the cudgels for its officers who were being sued in their

capacities as former officers of PSEA-PAFLU and asserted that since PSEA was no longer affiliated with PAFLU, Ayroso or PAFLU for that matter had no personality to file the instant complaint. In support of this assertion, PSEA-NCW submitted in evidence a *Katunayan* signed by 111 out of 120 rank and file employees of PSI disauthorizing Ayroso or PAFLU from instituting any action in their behalf.^[9]

In a Decision rendered on 30 June 1995 the Labor Arbiter declared PSEA's disaffiliation from PAFLU invalid and held PSI, PSEA-PAFLU and their respective officers guilty of unfair labor practice. The Decision explained that despite PSEA-PAFLU's status as the sole and exclusive bargaining agent of PSI's rank and file employees, the company knowingly sanctioned and confederated with Dakila in actively assisting a rival union. This, according to the Labor Arbiter, was a classic case of interference for which PSI could be held responsible. As PSEA-NCW's personality was not accorded recognition, its collective bargaining agreement with PSI was struck down for being invalid. Ayroso's legal personality to file the complaint was sustained on the ratiocination that under the Labor Code no petition questioning the majority status of the incumbent bargaining agent shall be entertained outside of the sixty (60)-day period immediately before the expiry date of such five (5)-year term of the collective bargaining agreement that the parties may enter into. Accordingly, judgment was rendered ordering PSI, PSEA-PAFLU and their officers to pay PAFLU P150,000.00 in damages.^[10]

PSI, PSEA and their respective officers appealed to the National Labor Relations Commission (NLRC). But the NLRC upheld the Decision of the Labor Arbiter and conjectured that since an election protest questioning PSEA-PAFLU's certification as the sole and exclusive bargaining agent was pending resolution before the Secretary of Labor, PSEA could not validly separate from PAFLU, join another national federation and subsequently enter into a collective bargaining agreement with its employer-company.^[11]

Petitioners separately moved for reconsideration but both motions were denied. Hence, these petitions for certiorari filed by PSI and PSEA-NCW together with their respective officers pleading for a reversal of the NLRC's Decision which they claimed to have been rendered in excess of jurisdiction. In due time, both petitions were consolidated.

In these petitions, petitioner PSEA together with its officers argued that by virtue of their disaffiliation PAFLU as a mere agent had no authority to represent them before any proceedings. They further asserted that being an independent labor union PSEA may freely serve the interest of all its members and readily disaffiliate from its mother federation when circumstances so warrant. This right, they averred, was consistent with the constitutional guarantee of freedom of association.^[12]

For their part, petitioners PSI, Romulo and Dakila alleged that their decision to bargain collectively with PSEA-NCW was actuated, to a large extent, by PAFLU's behavior. Having heard no objections or protestations from PAFLU relative to PSEA's disaffiliation, they reckoned that PSEA's subsequent association with NSW was done *bona fide*.^[13]

The Solicitor General filed a *Manifestation in Lieu of Comment* recommending that both petitions be granted. In his *Manifestation*, the Solicitor General argued against