

SECOND DIVISION

[G.R. No. 135806, August 08, 2002]

**TOYOTA MOTORS PHILIPPINES CORPORATION LABOR UNION,
PETITIONER, VS. TOYOTA MOTOR PHILIPPINES CORPORATION
EMPLOYEES AND WORKERS UNION, TOYOTA MOTOR
PHILIPPINES CORPORATION, AND THE SECRETARY OF LABOR
AND EMPLOYMENT, RESPONDENTS.**

D E C I S I O N

BELLOSILLO, J.:

This is a petition for certiorari under Rule 65 of the Rules of Court, as amended, seeking to set aside the Resolution of 5 June 1998 and the Order of 10 August 1998 both issued by respondent Secretary of Labor and Employment in OS-A-5-58-98 (NCR-OD-M-9704-0311) which affirmed the decision of the Med-Arbiter dated 24 February 1998. The assailed decision dismissed both the *Petition for Certification Election* filed by respondent Toyota Motor Philippines Corp. Employees and Workers Union (TMPCEWU) and the *Petition-in-Intervention* filed by petitioner Toyota Motor Philippines Corp. Labor Union (TMPCLU).

On 24 April 1997 respondent TMPCEWU filed a *Petition for Certification Election* before the Med-Arbitration Unit of the DOLE-National Capital Region (DOLE-NCR) seeking to represent the rank-and-file employees of the manufacturing division from Levels 1 to 4 of Toyota Motor Philippines Corp. (TMPC).

On 13 May 1997, while the case was pending hearing, petitioner TMPCLU claiming to be the legitimate labor organization, filed a Motion to Intervene with Opposition to the Certification Election praying that it be allowed to intervene and, thereafter, the petition by TMPCEWU be denied for lack of merit. It claimed that the petition was premature due to an earlier resolution by the Secretary of Labor ordering the conduct of a certification election among the rank-and-file employees of TMPC represented by petitioner which was the subject of certiorari proceedings before the Supreme Court and still awaiting final resolution at the time; and, that the collective bargaining unit which respondent TMPCEWU sought to represent violated the "single or employer" unit policy since it excluded the rank-and-file employees in the other divisions and departments in respondent TMPC.^[1]

In its motion petitioner TMPCLU outlined the antecedent events prior to the TMPCEWU's filing of its *Petition for Certification Election* on 24 April 1997 thus -

1. On 26 November 1992 it (TMPCLU) filed a petition for certification election before Med-Arbiter Paterno D. Adap, docketed as NCR-OD-M-9211-053;
2. On 8 March 1993 Med-Arbiter Adap dismissed TMPCLU's petition on the ground that the labor organization's membership was composed of supervisory and rank-and-file employees in violation of Art. 245 of the Labor Code, and that at

the time of the filing of its petition, TMCPLU had not even acquired legal personality yet;

3. On appeal, the Secretary of Labor, in a Resolution dated 9 November 1993 signed by Undersecretary Bienvenido E. Laguesma, set aside the Med-Arbiter's Order and directed the holding of a certification election among the regular rank-and-file employees of TMPC. In setting aside the assailed order, the Office of the Secretary argued that:

Contrary to the allegation of herein respondent-appellee, petitioner-appellant was already a legitimate labor organization at the time of the filing of the petition on 26 November 1992. Records show that on 24 November 1992 or two (2) days before the filing of the said petition, it was issued a certificate of registration.

4. Acting on TMPC's motion for reconsideration the Secretary of Labor set aside his earlier resolution and ordered the remand of the case to the Med-Arbiter concluding that the issues raised by TMPC both on appeal and its motion for reconsideration were factual issues requiring further hearing and production of evidence;
5. Pursuant to the order above-mentioned, the Med-Arbiter on 28 September 1994 dismissed TMPCLU's petition for certification election for failure of petitioner to acquire legal personality at the time of the filing of the said petition;
6. The motion for reconsideration filed by TMPCLU before the Secretary of Labor, which was treated as an appeal from the order of the Med-Arbiter dated 28 September 1994, was granted and the said order was set aside. In lieu thereof, a new order was issued giving due course to the petition and directing the conduct of a certification election among the rank-and-file employees of TMPC;
7. The Secretary of Labor, in his order dated 14 July 1995, denied for lack of merit the motion for reconsideration filed by TMPC;
8. On 20 April 1996 the Secretary of Labor issued a new resolution directing the conduct of a certification election among the rank-and-file employees of TMPC; and
9. TMPC lodged a special civil action for certiorari before the Supreme Court assailing the 20 April 1996 Resolution of the Secretary of Labor; and on 19 February 1997, the Supreme Court^[2] set aside the assailed Resolution of the Secretary of Labor and reinstated the Order of the Med-Arbiter dated 28 September 1994. In its decision, the Supreme Court ruled that since TMPCLU's membership list contained the names of at least twenty-seven (27) supervisory employees in Level Five positions, "the union could not, prior to purging itself of its supervisory employee members, attain the status of a legitimate labor organization. Not being one, it cannot possess the requisite personality to file a petition for certification election."

At the time respondent TMPCEWU filed its *Petition for Certification Election* on 24 April 1997 the decision of the Supreme Court had not ripened into a final and executory judgment. Thus petitioner invoked as among the grounds for opposition thereto in its *Motion to Intervene with Opposition to the Petition for Certification Election* that the "pending proceeding before the Supreme Court may be said to be a pre-judicial question which should be resolved first before the instant petition can prosper."^[3]

TMPC also filed a similar comment on 9 June 1997. Hence, on 2 July 1997, the Med-Arbiter ordered the provisional dismissal of TMPCEWU's Petition for Certification Election pending a final ruling by the Supreme Court on the *Petition for Certification Election*.

On 3 June 1997 the decision of the Supreme Court dated 19 February 1997 became final and executory.

In view of respondent TMPCEWU's revival of its *Petition for Certification Election*, petitioner also filed on 30 October 1997 its *Petition-in-Intervention*^[4] alleging that (a) it was representing only the rank-and-file employees; (b) it enjoys the support of the regular rank-and-file workers at large in TMPC, an unorganized establishment, and not only among the rank-and-file employees in the manufacturing division thereof; (c) while respondent TMPCEWU professed itself as a legitimate labor organization, there was serious doubt on such claim inasmuch as there was a pending petition for the cancellation of its certification of registration on the ground of fraud; (d) respondent TMPCEWU's representation of the rank-and-file employees, Levels 1 to 4, within the manufacturing division only to the exclusion of those in the other departments and divisions violated the "single or employer" unit policy; and, (e) the establishment of the proposed bargaining unit in the manufacturing division composed of employees from Levels 1 to 4, should respondent's petition be allowed, would induce the proliferation of unions in a single employer.^[5]

On 24 February 1998 the Med-Arbiter rendered a decision dismissing for lack of merit TMPCEWU's Petition for Certification Election, since it failed to include all rank-and-file employees from Levels 1 to 4 in other departments of TMPC in violation of the "one-union in one-company" policy and likewise dismissing TMPCLU's *Petition-in-Intervention* for lack of legal personality.^[6] Anent the issue on whether TMPCLU has the legal personality to file the *Petition-in-Intervention*, the Med-Arbiter explained thus -

The uncontroverted fact in this case is that at the time intervenor TMPCLU filed its application for registration and subsequently thereafter was issued a certificate of registration on November 24, 1992 (Annex "A," Intervenor's *petition-in-intervention*), its union membership is (sic) composed of supervisory and rank-and-file employees.

From this we could infer that the registration certificate issued by the Department of Labor and Employment is *void ab initio* because at the time of the issuance the constitution of intervenor union TMPCLU is (sic) a mixture of supervisory and rank-and-file employees as per finding of fact of Med-Arbiter Paterno Adap in his Order dated March 8, 1993 (Annex "A," respondent's Answer to *Petition-in-Intervention*).

On 14 March 1998, dissatisfied with the unfavorable decision, petitioner appealed to the Secretary of Labor contending that contrary to the finding of the Med-Arbiter it had the legal personality to intervene in the certification election proceedings as shown by its Certificate of Registration No. NCR-UR-11-996-92.

In a Resolution dated 5 June 1998, the Secretary of Labor justified his affirmance of the Med-Arbiter's decision in this wise -^[7]

On the first ground raised on appeal, it is true that the employer is a mere by-stander during the conduct of a certification election. Prior to the election, however, the employer is not precluded from ascertaining the legitimacy of the union in order that it can be assured that the union it will be dealing with is a duly registered labor organization which legally represents the bargaining unit sought to be represented. There is therefore no error in allowing the employer to question the status of appellant as in the case at bar.

On the second issue, it had earlier been finally ruled by the Supreme Court (G.R. No 121084) involving herein employer and appellant that since the bargaining unit of the rank-in-file which TMPCLU is seeking to represent is a mixture of supervisory employees which is prohibited under Article 245 of the Labor Code, as amended, the union prior to purging itself of supervisory employees-members, had not attained the status of a legitimate labor organization. Appellant now simply asserts that it has purged its membership of supervisory employees and therefore is now a legitimate labor organization of the rank-and-file employees. Appellant has not however shown that it registered anew because admittedly some of its officers are supervisory employees. The need to register anew is necessary and the purging by itself of its officers who are holding supervisory position is imperative. One of the requirements for registration is the submission of the list of officers. Under the circumstances obtaining, appellant has not as yet attained the status of a legitimate labor organization. It has therefore no legal authority to oppose the instant petition.

On 10 August 1998 the Secretary issued an Order denying petitioner's motion for reconsideration; hence, petitioner now comes to us assailing the aforementioned Resolution and Order of the Secretary of Labor arguing that -

First. At the time it filed its *Petition-in-Intervention* on 30 October 1997 it was clothed with legal personality as a bona fide labor union. Petitioner contended that when it filed the Motion to Intervene with Opposition to the Petition for Certification Election filed by TMPCEWU and its *Petition-in-Intervention*, it did have a Certificate of Registration No. NCR-UR-1199692 which was based on its compliance with the requisites for union registration. Hence, it had the legal personality when it filed the *Petition-in-Intervention* and had all the rights as well as obligations of a legitimate labor organization. There was therefore no necessity for petitioner to register anew when it was already a registered labor organization.

Second. The Med-Arbiter had no authority to declare that petitioner's certificate of registration was void ab initio in a certification election proceeding; neither was the representation proceedings before the Med-Arbiter the appropriate remedy to ventilate such issue.

To buttress its stance, petitioner drew attention to the fact that the Implementing Rules of the Labor Code of the Philippines, particularly Book V, Rule 1, Sec. 1 (kk) thereof, and the Med-Arbiter's authority were limited to hearing, conciliating, mediating and deciding representation cases, internal union and intra-union disputes. Considering that the case before the Med-Arbiter was a Petition for Certification Election by respondent TMPCEWU, the only task of the Med-Arbiter was