

FIRST DIVISION

[G.R. No. 118223, June 26, 1998]

**PNOC DOCKYARD AND ENGINEERING CORPORATION,
PETITIONER, VS. THE HONORABLE NATIONAL LABOR
RELATIONS COMMISSION, BATAAN REFINERS UNION OF THE
PHILIPPINES (BRUP), PNOC-COAL CORPORATION EMPLOYEES'
ASSOCIATION (PCC-ELU), KAPISANAN NG MALAYANG
MANGGAGAWA-PNOC DOCKYARD AND ENGINEERING
CORPORATION (KMM-PDEC), PNOC SHIPPING AND TRANSPORT
CORPORATION EMPLOYEES' ASSOCIATION (PSTCEA), ERNESTO
M. ESTRELLA, FELIMON PAGLINAWAN, RUFINO ANDAYA,
GENEROSO MERCADO, JOHNNY CLARIANES AND LEO ORRICA,
RESPONDENTS.**

D E C I S I O N

PANGANIBAN, J.:

The Constitution mandates the state to afford full protection to labor. To achieve this goal, technical rules of procedure shall be liberally construed in favor of the working class in accordance with the demands of substantial justice.

The Case

This petition for review under Rule 65 of the Rules of Court seeks to set aside the Decision^[1] dated August 12, 1993, promulgated by the National Labor Relations Commission^[2] (NLRC) in NLRC NCR CC No. 000033-92, the dispositive portion of which reads:^[3]

"WHEREFORE, premises considered, respondent PNOC-subsiidiaries are declared guilty of illegal dismissal, violation of the Memorandum of Agreement dated 3 January 1992 and of unfair labor practice acts, as herein charged.

Consequently, respondent companies are hereby ordered to cease and desist from further violating the terms and conditions of the parties' Memorandum of Agreement of 3 January 1992 and from further committing the unfair labor practice acts herein complained of.

Individual respondents herein are hereby ordered reinstated to their former positions with full backwages from the time of their dismissals to the dates of their actual reinstatements and without loss of seniority rights and benefits appurtenant thereto. In case reinstatement proves unenforceable on account of the sale of any of respondent companies, in lieu of reinstatement, the complainants concerned are hereby ordered paid their separation pay equivalent to their one (1) month's pay for

every year of service, a fraction of at least six (6) months considered as one (1) whole year, in addition to the award of backwages.

Respondents are hereby ordered to pay complainants their attorney's fees in the amount of not less than ten (10%) percent of the total monetary award herein.

The claims of both parties herein for moral and exemplary damages and all other claims herein for lack of merit are hereby dismissed."

Both parties filed their respective motions for reconsideration. Only the motion of herein private respondents was granted in a Decision^[4] of the NLRC dated December 9, 1994. The decretal part thereof reads:^[5]

"ACCORDINGLY, in view of the foregoing, this Division's Decision dated August 12, 1993 is hereby MODIFIED so that the PNOC-Dockyard and Engineering Corporation shall pay their employees separated because of the sale of their assets, separation benefits equivalent to two months for every year of service, as mandated by company policy and practice.

The motions for reconsideration filed by Petron and its officers, PNOC-Dockyard and Shipping Corporations, PNOC Energy Development Corporation and Bataan Refiners Union of the Philippines are hereby DENIED for lack of merit."

The present petition likewise impugns the foregoing ruling.

The Facts

The solicitor general exhaustively presents these factual antecedents of the case:^[6]

"1. On November 22, 1991, private respondent [Kapisanan ng Malayang Manggagawa-PNOC Dockyard & Engineering Corporation (KMM-PDEC)], among other unions namely: Bataan Refiners Union of the Philippines (BRUP); PNOC-Energy Development Employees' Association (PEDEA); PNOC-Coal Corporation Employees' Association (PCC-ELU); and PNOC-Shipping & Transport Corp. [Employees' Association] (PSTCEA), filed with the Department of Labor and Employment (DOLE) a notice of strike against Phil. National Oil Company (PNOC) and Monico Jacob as President/Chairman, on the ground of discrimination constituting unfair labor practice (p. 2, NLRC Decision dated August 12, 1993). The dispute arose from the grant [by] petitioner and PNOC [of] the amount of P2,500.00 increase in monthly salaries to Managerial, Professionals and Technical Employees (MPT) but not to Non-Managerial, Professional and Technical Employees (NMPT).

2. On December 13, 1991, Acting Secretary Nieves Confesor certified the dispute subject of the notice of strike to the National Labor Relations Commission (NLRC) for compulsory arbitration. The certification reads in part:

'xxx xxx xxx

WHEREFORE, IN VIEW OF THE FOREGOING, and pursuant to Article 263 (g) of the Labor Code, as amended, this Office

hereby CERTIFIES the labor dispute at Phil. National Oil Company to the National Labor Relations Commission for compulsory arbitration.

Accordingly, any strike or lock-out is hereby strictly enjoined.

Parties are ordered to CEASE and DESIST from committing any and all acts that might exacerbate the situation.

SO ORDERED.

Manila, Philippines, 13 Dec. 1991.

SGD. NIEVES R. CONFESOR
Acting Secretary'

(DOLE Order dated Dec. 13, 1991, Attachment 3, Position Paper, PNOC Subsidiaries)

3. The aforequoted Order however was not served to the respondent union's President, Felimon Paglinawan, who is authorized to receive notices. Wilfredo Rojo, the process server of DOLE merely left the Order with the guard on duty at the gate of the premises which is a distance away from the union office (pp. 10-11, Position Paper of respondent union, Records).

4. In the morning of December 18, 1991, the day when respondent union was poised to strike, its officers and members decided to report for work but petitioner thru its Operations Manager, Nemesio Guillermo, padlocked the gate and refused entry to the employees. Some officers and members of respondent union were able to enter the premises of petitioner and punch-in their timecards; however, they were immediately escorted back outside (pp. 4, 12, & 13, Position Paper of respondent union and its Annexes 'E-1' to 'E-4', Records; pp. 13-14, NLRC Decision dated Aug. 12, 1993).

5. On December 19, 1991, Acting Labor Secretary Nieves Confesor issued a return to work order, which reads in part:

'xxx xxx xxx

WHEREFORE, ABOVE PREMISES CONSIDERED, all striking workers are hereby ordered to return to work within twenty four (24) hours from receipt of this Order and for the Company to accept them under the same terms and conditions prevailing prior to the work stoppage.

Further, the directive to the parties to cease and desist from committing any and all acts that might aggravate the situation is hereby reiterated.

SO ORDERED.

Manila, Philippines, 19 December 1991.

(Return to Work Order dated December 19, 1991, Attachment 4, Position Paper of PNOC Subsidiaries, Records)

6. On December 20, 1991, respondent union thru its President, Felimon Paglinawan filed before the NLRC Arbitration Branch, Region IV, a complaint against petitioner for Illegal Lock-out (Complaint dated December 20, 1991, Records).

7. On December 23, 1991, all members of the private respondent union reported and were accepted back to work (p. 5, NLRC Decision dated August 12, 1993).

8. Subsequently, petitioner filed before the DOLE a petition to declare the strike illegal with a motion to cite the striking workers in contempt for defying the DOLE Orders (p. 4, Position Paper of Petitioner, Records). Respondent union on the other hand filed a Motion to Dismiss the petition (p. 4, Position Paper for Respondent, Records).

9. On March 3, 1992, Felimon Paglinawan, Leo O. Orrica, Johnny Clariones and Generoso Mercado, Jr., the President, Secretary, Auditor and Treasurer of the respondent union, respectively, after due notice and investigation, were dismissed by petitioner from their employment on the ground, among others of their participation in the work stoppage on December 18 to 21, 1991 (p. 4, Position Paper of Respondent, Records).

10. On March 9, 1992, the aforementioned dismissed union officers filed before the NLRC a complaint for illegal dismissal. The cases were consolidated and in [the herein challenged] Decision dated August 12, 1993, public respondent ordered the reinstatement of the dismissed officers of private respondent union x x x."

The same Decision further ruled that, where reinstatement was no longer feasible "on account of the sale of any of respondent companies," separation pay shall be awarded, equivalent to "one (1) month's pay for every year of service, a fraction of at least six (6) months considered as one (1) whole year, in addition to the award of backwages."

The parties filed their respective motions for reconsideration. In its December 9, 1994 Decision, the NLRC modified its earlier disposition and ordered herein petitioner to pay its separated employees severance benefit equivalent to "two months for every year of service" in accordance with the company's established business practice. The separate motions of PNOC and its subsidiaries were all denied.

Hence, this recourse^[7] filed by the PNOC Dockyard and Engineering Corporation.^[8]

Issues

Petitioner submits the following grounds for its petition:

"I. Respondent NLRC committed a grave abuse of discretion in not holding that KMM-PDEC and its officers are not guilty of illegal strike

notwithstanding the provisions of Section 4, Rule XIII of the Omnibus Rules implementing the Labor Code and overwhelming evidence of their guilt.

II. Respondent NLRC committed a grave abuse of discretion in not finding the termination of respondent KMM-PDEC union officers, who led the illegal strike, as legal and for just cause as clearly shown by overwhelming evidence.

III. Respondent NLRC committed a grave abuse of discretion in not finding that petitioner is entitled to the award of damages.”^[9]

The Court’s Ruling

The arguments of petitioner do not persuade us. We find no grave abuse of discretion committed by the NLRC in its two challenged Decisions.

First Issue: **The Strike Was Legal**

At the outset, the Court emphasizes that, under Rule 65 of the Rules of Court, its review of decisions or resolutions of quasi-judicial bodies, such as the NLRC, is confined to issues of jurisdiction and grave abuse of discretion.^[10] As a rule, judicial review by this Court does not extend to a reevaluation of the factual circumstances of the case. Specialized agencies are presumed to have gained expertise on matters within their respective fields. Thus, their findings of fact, when supported by substantial evidence, are entitled to great respect and are generally rendered conclusive upon this Court,^[11] except only upon a clear showing of palpable error or arbitrary disregard of evidence. A thorough examination of the records of this case reveals no reason to justify a reversal of the factual findings of the NLRC.

In resolving that the strike was legal, the labor tribunal took note of the following facts: (1) the notice of strike was filed only after the union members lost hope for the redress of their grievance arising from their exclusion from the P2,500 salary increase; (2) the union members honestly believed that they were discriminated against, since the company practice in the past was to grant salary increases to all employees regardless of whether they were MPTs (managerial, professional, and technical employees) or NMPTs (non-managerial, professional, and technical employees); (3) such discriminatory grant appeared to be an unfair labor practice intended to discourage union membership, since MPTs were non-union members; and (4) the labor unions complied with the legal requirements before going on strike, such as the members’ strike vote by secret ballot, the submission of the results thereof to the National Conciliation and Mediation Board (NCMB), the filing of a notice to strike and the observance of the 15-day cooling-off period. Respondent Commission opined that the unions had a reason to regard the salary discrimination, believed to discourage membership in the labor organization, as an unfair labor practice prohibited by Article 248 (e)^[12] of the Labor Code.

Thus, although rejecting that PNOC and its subsidiaries were guilty of discrimination, the NLRC reiterated the policy enunciated in several labor cases “that a strike does not automatically carry the stigma of illegality even if no unfair labor practice were committed by the employer. It suffices if such a belief in good faith is entertained by labor as the inducing factor for staging a strike.”^[13] Indeed, the presumption of