

TWENTY-FIRST DIVISION

[CA-G.R. SP NO. 04784-MIN, February 26, 2015]

STANFILCO CALINAN LABOR UNION – FEDERATION OF INTEGRATED LABOR UNION (SCLU-FILU), PETITIONER, VS. ELMER C. FEROLINO, GUILLERMO C. CASINILLO AND NATIONAL LABOR RELATIONS COMMISSION (NLRC), 8TH DIVISION, CAGAYAN DE ORO CITY, RESPONDENTS.

DECISION

SINGH, J.:[*]

Petitioner Stanfilco Calinan Labor Union – Federation of Integrated Labor Union (**SCLU-FILU**) seeks, through this petition for *certiorari* under Rule 65 of the Revised Rules of Court, to annul and set aside the Decisions respectively dated August 31, 2011 and December 21, 2011,^[2] of public respondent National Labor Relations Commission (**NLRC**) Eighth Division in NLRC No. MAC-04-012020-2011 (RAB XI-07-00759-2010).

THE FACTS

The facts, as summarized by the NLRC, are:

“Complainants worked with respondent Stanfilco, an organized establishment that has current collective bargaining agreement (CBA) with its rank and file employees through Stanfilco Calinan Labor Union-Federation of Integrated Labor Union (SCLU-FILU) as their sole bargaining representative for collective bargaining purposes.

The records show that respondent Stanfilco and SCLU-FILU first negotiated and conducted a CBA effective for five (5) years from 24 June 2002 to 23 May 2007. About three (3) years thereafter, respondent Stanfilco and SCLU-FILU renewed the CBA for another 5-year term effective 24 May 2005 until 23 May 2010. Again, without waiting for the term of the CBA to expire, respondent Stanfilco and SCLU-FILU renewed the CBA effective 24 May 2008 until 23 May 2013.

On 04 April 2010, however, complainants, together with other union members of SCLU-FILU, organized a new labor union known as DOLE-Stanfilco Calinan Workers Union (DSCWU) and have (sic) it affiliated with Philippine Integrated Industries Labor Union (PIILU)-Trade Union Congress of the Philippines (TUCP), in order to vie for representation in collective bargaining negotiation against SCLU-FILU through the process of certification election. In fact, on 21 May 2010 DSCWU-PIILU-TUCP filed a petition for certification election.

Upon learning of the petition, Mr. Filomeno C. Rosal, the President of FILU wrote a letter, dated 24 May 2010, to respondent Stanfilco recommending for (sic) the termination from employment of complainants for committing acts of "disloyalty to the union" in accordance, according (sic) to him, with the provision of the CBA and the union's Constitution and By-Laws. He appended to the letter excerpts from the minutes of the investigation proceedings conducted by the FILU.

Subsequently or on 25 May 2010, Mr. Cesar B. Opena, respondent Stanfilco's Human Resource Head, separately served to complainants' memorandums (sic) requiring them to submit their written explanations within five (5) days from receipt thereof why they should not be terminated from employment due to the acts of disloyalty to the union.

On 31 May 2010, complainants jointly submitted their letter-explanation explaining their side in (sic) the controversy. They averred and argued that the petition for certification election was validly filed within the sixty (60) day freedom period prior to the expiration of the CBA on 23 May 2010; that the employees in the bargaining unit have, within the freedom period, the right to express their personal views of their union without violating any provision of the law and CBA; and that to allow the lifetime of the CBA extended for another five (5) years, without regard of the petition, would render nugatory the law on the matter as it would deprive another legitimate union the right to challenge the majority status of the incumbent bargaining representative through the democratic process of certification election among the rank-and-file employees in the bargaining unit.

On 09 July 2010, apparently not satisfied with the explanations of complainants, respondent Stanfilco terminated the employment of complainants"^[3]

Claiming to have been illegally dismissed, private respondents Elmer C. Ferolino and Guillermo C. Casinillo filed a Complaint^[4] for unfair labor practice, illegal dismissal, reinstatement with full backwages, unpaid benefits and allowances, as well as moral and exemplary damages and attorney's fees against their employer, Stanfilco, a division of Dole Philippines, Incorporated, and herein petitioner SCLU-FILU, before the Regional Arbitration Branch No. XI of the NLRC, Davao City.

After failure to amicably settle their differences, the parties were required to file their position papers. Petitioner SCLU-FILU and Stanfilco filed their Position Papers^[5] on September 30, 2010, while private respondents filed their Position Paper^[6] on October 28, 2010.

On February 23, 2011, Labor Arbiter Merceditas C. Larida rendered a Decision,^[7] the dispositive portion of which states:

"WHEREFORE, with the foregoing premises, judgment is hereby rendered:

1. Declaring illegal the termination of complainants' employment by

respondents;

2. Declaring both respondents guilty of unfair labor practice;
3. Ordering respondent Stanfilco-A Division of Dole Philippines, Inc.-Calinan Zone, to immediately reinstate complainants to their former positions without loss of seniority rights and other privileges;
4. Directing both respondents to pay, jointly and severally, full backwages to complainants in the amount of P55,620.30 each, as well as their unpaid allowances and benefits under the CBA;
5. Ordering respondents Stanfilco and Stanfilco Calinan Labor Union-Federation of Integrated Labor Union through their respective officers to solidarily pay each complainant moral damages in the amount of P10,000.00 and another P10,000.00 each as exemplary damages; and
6. Ordering same respondents to pay, severally and jointly, attorney's fee in the amount equivalent to ten percent (10%) of the total judgment awards.

Respondent Stanfilco-A Division of Dole Philippines, Inc.-Calinan Zone, through its officers, is further ordered to submit a compliance report to the order of reinstatement of the complainants, within ten (10) days from receipt of this Decision. The order of reinstatement is immediately executory.

SO ORDERED.”

Petitioner SCLU-FILU and Stanfilco appealed^[8] the Labor Arbiter's Decision to the NLRC, Cagayan de Oro City.

On August 31, 2011, public respondent NLRC (8th Division) issued the assailed Decision,^[9] the dispositive portion of which states:

“WHEREFORE, foregoing premises considered, the appealed decision is **AFFIRMED**, subject to the modification that respondent Stanfilco Calinan Labor Union-Federation of Integrated Labor Union (SCLU-FILU) is ordered to refund to respondent Stanfilco-A Division of Dole Phils., Inc. whatever amount paid by it involving the awarded benefits in accordance with their CBA.

SO ORDERED.”

Dissatisfied, petitioner SCLU-FILU filed a Motion for Reconsideration^[10] of the August 31, 2011 Decision but the same was denied by the NLRC on December 21, 2011.^[11]

THE ISSUES

Aggrieved, petitioner SCLU-FILU filed the instant petition with the following issues:

"WITH DUE RESPECT, PUBLIC RESPONDENT COMMITTED ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN IT IGNORED THE PROVEN AND ADMITTED BLATANT ACTS OF DISLOYALTY TO THE UNION COMMITTED BY PRIVATE RESPONDENTS IN AFFIRMING THE LABOR ARBITER'S FINDING THAT THERE WERE NO PROVEN SUFFICIENT AND LEGAL GROUNDS FOR THEIR EXPULSION FROM UNION MEMBERSHIP," AND,

"PUBLIC RESPONDENT ALSO COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN DECLARING THAT THE UNION'S ACT OF ENFORCING AND IMPLEMENTING ITS CONSTITUTION AND BY-LAWS AS TO COMPLAINANTS' EXPULSION FROM UNION MEMBERSHIP AND ITS RECOMMENDING TO THE COMPANY THEIR DISMISSAL AMOUNTED TO UNFAIR LABOR PRACTICE."^[12]

THE RULING OF THIS COURT

The petition lacks merit.

An act of a court or tribunal may only be considered as committed in grave abuse of discretion when the same was performed in a capricious or whimsical exercise of judgment, which is equivalent to lack of jurisdiction. The abuse of discretion must be so patent and gross as to amount to an evasion of positive duty or to a virtual refusal to perform a duty enjoined by law or to act at all in contemplation of law, as where the power is exercised in an arbitrary and despotic manner by reason of passion or personal hostility.^[13]

In labor disputes, the NLRC's findings are said to be tainted with grave abuse of discretion when its conclusions are not supported by substantial evidence.^[14] In the case of *Rio v. Colegio de Santa Rosa-Makati*,^[15] the Supreme Court reiterated that:

"As a general rule, in certiorari proceedings under Rule 65 of the Rules of Court, the appellate court does not assess and weigh the sufficiency of evidence upon which the Labor Arbiter and the NLRC based their conclusion. The query in this proceeding is limited to the determination of whether or not the NLRC acted without or in excess of its jurisdiction or with grave abuse of discretion in rendering its decision. However, **as an exception, the appellate court may examine and measure the factual findings of the NLRC if the same are not supported by substantial evidence. The Court has not hesitated to affirm the appellate court's reversals of the decisions of labor tribunals if they are not supported by substantial evidence.**" (emphasis supplied)

Guided by the foregoing, this Court reviewed the evidence submitted a quo by both parties and agrees with the NLRC that petitioner SCLU-FILU and Stanfilco are guilty of unfair labor practice and that private respondents' dismissal from employment was illegal.

Petitioner SCLU-FILU insists that private respondents' expulsion from the union and their eventual termination/dismissal from employment was for a just cause in view of its union security clause in the CBA (Section 2, Article III of the CBA).^[16] As a