# DELINEATION OF THE TWILIGHT ZONES OF JURISDICTION OF THE COURT OF INDUSTRIAL RELATIONS AND THE COURT OF FIRST INSTANCE IN LABOR CASES

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"The Constitution does not insure uniformity of judicial decisions; neither does it assure immunity from judicial error."

—*Justice Pedro Tuason* [1]

## INTRODUCTION

The question of whether or not the Court of Industrial Relations or the Court of First Instance has jurisdiction over a particular subject matter dealing with labor-management relations is deceptively simple and litigiously prolific.

For as a rule, the specific types of cases which are within the jurisdictional competence of either court are expressly prescribed by the statutes passed by Congress, pursuant to its constitutional authority "to define, prescribe, and apportion the jurisdiction of the various courts." [2]

However, the existence of ambiguous statutory provisions, and the prevalence of gaps or *lacunae* therein, have given rise to certain "twilight zones of jurisdiction" which the Supreme Court, in the performance of its delicate duty of interpretation and construction of laws, or in reality, in the exercise of judicial legislation, has "apportioned" to either the Court of Industrial Relations or the Court of First Instance.

The seemingly lack of unerring consistency in making the "apportionment" of jurisdiction has not passed unnoticed. But undoubtedly, the Supreme Court has been influenced by both legal and extra-legal stimuli, by considerations of logic, experience, and substantial justice and equity, in the apportionment of these "twilight zones of jurisdiction" to either court.

Hence, it is very timely to inquire into, and whenever appropriate, to make some observations on the applicable statutory provisions, and the shifting state of judicial decisions, with the em-

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[1] People v. Carlos, G.R. No. L-239, June 30, 1947; 44 O.G. No. 11, 4281, 4287 (1947).

[2] PHIL. CONST. Art. VIII, Sec. 2. The Court of Industrial Relations is "more an administrative board than a part of the integrated judicial system of the nation." Ang Tibay v. CIR, 69 Phil. 635, 639 (1940). Nevertheless, it has been held that the CIR is a "court of justice" within the meaning of Rule 2, Section 1 of the Rules of Court. METRAN v. Paredes 79 Phil. 819, 822 (1948), 45 O.G. No. 7, 2835, 2837 (1948).

phasis on leading and recent cases, in order to arrive at a proper delineation of the jurisdiction of the Court of Industrial Relations and the Court of First Instance in labor relations cases.

*Cause Célebre*

Section 1 of Commonwealth Act No. 103 conferred upon the Court of Industrial Relations "jurisdiction over the entire Philippines to consider, investigate, decide and settle all questions, matters, controversies, or disputes arising between and/or affecting employers and employees . . . and to regulate the relations between them." Indeed, the CIR became the instrumentality of the Government to effectuate the policy of active governmental intervention in labor-management relations.

On June 17, 1953, Republic Act No. 875, entitled "AN ACT TO PROMOTE INDUSTRIAL PEACE AND FOR OTHER PURPOSES," became effective. It ushered in a new epoch of democratic regulation in the field of employer-employee relations.

Section 7 of the Industrial Peace Act provides:

> "In order to prevent undue restriction of free enterprise for capital and labor and to encourage the truly democratic method of regulating the relations between the employer and employee by means of an agreement freely entered into in collective bargaining, no court of the Philippines shall have power to set wages, rates of pay, hours of employment or conditions of employment except as in this Act is otherwise provided and except as is provided in Republic Act Numbered Six hundred two and Commonwealth Act Numbered Four hundred forty-four as to hours of work."

What then is the effect of the Industrial Peace Act on the all-embracing jurisdiction granted to the CIR under Commonwealth Act No. 103?

In the celebrated case of *PAFLU v. Tan*, G.R. No. L-9115, promulgated on August 31, 1956,[3] the Supreme Court held:

> "But this broad jurisdiction was somewhat curtailed upon the approval of Republic Act 875, *the purpose being to limit it to certain specific cases, leaving the rest to the regular courts*. Thus, as the law now stands, that power is *confined* to the following cases: (1) when the labor dispute affects an industry which is indispensable to the national interest and is so certified by the President to the Industrial Court (Section 10, Republic Act 875); (2) when the controversy refers to minimum wage under the Minimum Wage Law (Republic Act 602); (3) when it involves hours of employment under the Eight-Hour Labor Law (Commonwealth Act 444); and (4) when it involves an unfair labor practice (Section 5(a), Republic

[3] 52 O. G. No. 13, 5830, 5841 (1956).

Act 875). *In all other cases*, even if they grow out of a labor dispute, *the Court of Industrial Relations does not have jurisdiction.*" (Emphasis supplied.)

The "quartette-of-cases formula" enunciated in this leading case has been the root cause of countless litigations and the target of adverse criticisms. It is the prelude to our inquiry into the specific "twilight zones of jurisdiction" between the Court of Industrial Relations and the Court of First Instance.

## I. ISSUANCE OF WRITS OF INJUNCTION.

As to what court has jurisdiction to issue a writ of injunction in a particular case arising between employers and employees depends, in the first place, on whether or not the case "involves or grows out of a labor dispute." [4]

### A. *In Cases Where There Is No Labor Dispute*

Where the case does *not* involve or grow out of a labor dispute, then the CFI, and not the CIR, has the *original* jurisdiction to issue ordinary writs of injunction, pursuant to the express provisions of Section 44(h) of the Judiciary Act of 1948, Republic Act No. 296, as amended.

"Sec. 44.—Original jurisdiction.—Courts of First Instance shall have original jurisdiction:

* * * * *

(h) Said courts and their judges, or any of them, *shall have the power to issue writs of injunction*, mandamus, certiorari, prohibition, quo warranto and habeas corpus in their respective provinces and districts, *in the manner provided in the Rules of Court.*" (Emphasis supplied.)

The procedure to be observed by the Court of First Instance is that prescribed in Rule 60 of the Rules of Court.[5]

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[4] *When Does a Case Involve or Grow Out of a Labor Dispute?*
Section 9(f) (1) and (2) and Section 2, Rep. Act No. 875.
"1) A case shall be held to involve or to grow of a labor dispute when the case involves persons who are engaged in the same industry, trade, craft, or occupation, or have direct or indirect interests therein; or who are employees of the same employer; or who are members of the same or an affiliated organization of employers or employees; whether such dispute is (i) between one or more employers or association of employers and one or more employees or association of employees; (ii) between one or more employers or association of employers and one or more employers or association of employers; or (iii) between one or more employees or association of employees and one or more employees or association of employees; or when the case involves any conflicting or competing interests in a 'labor dispute' (as hereinbefore defined) of 'persons participating or interested' therein (as hereinafter defined).
"(2) A person or association shall be held to be a person participating or interested in a labor dispute if relief is sought against him or it, and if he or it is engaged in the same industry, trade, craft, or occupation in which such dispute occurs, or has a direct or indirect interest therein, or is a member, officer, or agent of any association composed in whole or in part of employers or employees engaged in such industry, trade, craft, or occupation.
"The terms 'labor dispute' includes any controversy concerning terms, tenure or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether the disputants stand in the proximate relation of employer and employee."

[5] Associated Watchmen & Security Union (PTWO) v. United States Lines, G. R. No. L-10333, July 25, 1957.

### B. *In Cases Involving or Growing Out of a Labor Dispute*

While the bedrock of labor relations policy in the Philippines has shifted from one of active governmental control to the present stage of unionization and collective bargaining, still not all activities involving or growing out of a labor dispute are immune from governmental intervention in the form of injunctive relief.[4]

The Industrial Peace Act uses the phrase "Court, Commission or Board of the Philippines" [Sec. 9(a)], or "court of the Philippines" or "the Court" [Sec. 9(b) & (d)] in designating the judicial instrumentality which may issue writs of injunction in cases involving or growing out of a labor dispute.

The precise question is: To which "court of the Philippines" did the Act intend to grant this particular authority? According

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[4] Rep. Act No. 875.

"SEC. 9. *Injunctions in Labor Disputes.*—

"(a) No Court, Commission or Board of the Philippines shall have jurisdiction except as provided in section ten of this Act to issue any restraining order, temporary or permanent injunction in any case involving or growing out of a labor dispute to prohibit any person or persons participating or interested in such dispute from doing, whether singly or in concert, any of the following acts:

(1) Ceasing or refusing to perform any work or to remain in any relation of employment;

(2) Becoming or remaining a member of any labor organization regardless of any undertaking or promise as is described in section eight of this Act;

(3) Paying or giving to, or withholding from, any person participating or interested in such labor dispute, any strike or unemployment benefits or insurance, or moneys or things of value;

(4) By all lawful means aiding any person participating or interested in any labor dispute who is being proceeded against in or is prosecuting any action or suit in any court of the Philippines;

(5) Giving publicity to the existence of, or the facts involved in any labor dispute, whether by advertising, speaking, patrolling, or by any method not involving fraud or violence;

(6) Assembling peaceably to act or to organize to act in promotion of their interests in a labor dispute;

(7) Advising or notifying any person of an intention to do any of the acts heretofore specified;

(8) Agreeing with other persons to do or not to do any of the acts heretofore specified; and

(9) Advising, urging, or otherwise causing or inducing without fraud or violence, the acts heretofore specified, regardless of any such undertaking or promise as is described in section eight of this Act.

"(b) No court of the Philippines have jurisdiction to issue a restraining order or temporary or permanent injunction upon the ground that any of the persons participating or interested in a labor dispute constitute or are engaged in an unlawful combination or conspiracy because of the doing in concert of the acts enumerated in paragraph (a) above.

"(d) No court of the Philippines shall have jurisdiction to issue a restraining order or temporary or permanent injunction in any case involving or growing out of a labor dispute, as herein defined except after hearing the testimony of witnesses in open court (with opportunity for cross-examination) in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered, and except after finding of fact by the Court, to the effect:

(1) That unlawful acts have been threatened and will be committed unless restrained, or have been committed and will be continued unless restrained, but no injunction or temporary restraining order shall be issued on account of any threat or unlawful act excepting against the person or persons, association, or organization making the threat or commiting the unlawful act or actually authorizing or ratifying the same after actual knowledge thereof;

(2) That substantial and irreparable injury to complainant's property will follow;

(3) That as to each item of relief granted greater injury will be inflicted upon complainant by the denial of relief than will be inflicted upon defendants by the granting of relief;

(4) That complainant has no adequate remedy at law; and

(5) That the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.

"SEC. 10. *Labor Disputes in Industries Indispensable to the National Interest.*—When in the opinion of the President of the Philippines there exists a labor dispute in an industry indispensable to the national interest and when such labor dispute is certified by the President to the Court of Industrial Relations, said Court may cause to be issued a restraining order forbidding the employees to strike or the employer to lockout the employees, pending an investigation by the Court, and if no other solution to the dispute is found, the Court may issue an order fixing the terms and conditions of employment."

to the case of *PAFLU v. Tan*, the answer depends upon the "nature of the controversy."

The rule is that the Court of Industrial Relations "*can only issue injunction in cases that come under its exclusive jurisdiction and in those cases that do not, the power can be exercised by regular courts.*" Hence, the CIR can issue injunction only in the following cases enumerated by the Supreme Court in its decision, to wit: (1) when the labor dispute affects an industry which is indispensable to the national interest and is so certified by the President to the Industrial Court; (2) when the controversy refers to minimum wages under the Minimum Wage Law; (3) when it involves hours of employment under the Eight-Hour Labor Law; and (4) when it involves an unfair labor practice. "In all other cases," regardless of the fact that they may involve or grow out of a labor dispute, the Supreme Court believes that the Court of Industrial Relations cannot issue injunction because such cases properly fall within the jurisdiction of the Court of First Instance.

It seems, however, that this "apportionment" of jurisdiction to issue injunctions in cases involving or growing out of a labor dispute, made by the Supreme Court, leaves much to be desired.

The phrases "court of the Philippines" and "by the Court," used in Section 9(d) of the Act, standing by themselves, are broad enough to include both the CIR and the CFI. But said phrases *must be construed with reference to Section 2(a) of said Act*, which provides:

> "SEC. 2. Definitions.—As used in this Act—
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> (a) "Court" means the Court of Industrial Relations established by Commonwealth Act Numbered One hundred and three, as amended, *unless another Court shall be specified*." (Emphasis supplied.)

The logical question is: In using the phrase "court of the Philippines" or "by the Court," did the Industrial Peace Act thereby specify another court? Did it thereby intend to include the CFI within said phrases?

Note that when the Act intends to refer to "another Court," it does not hesitate to say so in express terms. Thus, it mentions the "Supreme Court" (Secs. 6, 19, 23) and the "Court of Appeals" (Sec. 23). The legislative intent, which may be gathered from the language used in the provisions of the Act, is that the Court of Industrial Relations is the "Court" referred to in Section 9(d). Therefore, the Court of Industrial Relations has the exclusive jurisdiction to issue writs of injunction in all cases involving or growing

out of a labor dispute, provided the procedure specified by the Industrial Peace Act is strictly adhered to.

The Supreme Court, however, observed that the definition in Section 2(a) of the Act is "no authority for us to conclude that only the Court of Industrial Relations can issue injunctions in all cases mentioned in Section 9(d) for, as already adverted to, there are cases which may involve or grow out of a labor dispute which may not necessarily come under its jurisdiction. *To hold otherwise would be to give to the Court of Industrial Relations jurisdiction over cases which it does not have under the law.*"

In another way of putting it, the reasoning of the Supreme Court runs like this: Upon the approval of the Industrial Peace Act, the jurisdiction of the CIR has been confined to the aforesaid four specified cases. Necessarily, it can issue injunction only in those cases. For to hold otherwise, would be tantamount to conferring upon the CIR jurisdiction over cases which it does not have under the law. The irritating fact is that the argument is based on a false premise. A careful reading of the Act would reveal that it has not limited the jurisdiction of the Court of Industrial Relations to the "quartette of cases" specified by the Supreme Court in the PAFLU case.[7] It was the Supreme Court itself, in construing the Act, which "confined" the jurisdiction of the CIR to those four types of cases.

There has been a suggestion to follow a middle-of-the-road approach. It has been advanced that the jurisdiction of the CIR to grant injunctive relief, present all statutory requisites, is *exclusive* when it pertains to cases *exclusively cognizable by the CIR*. In all other cases involving or growing out of a labor dispute, the Court of Industrial Relations has *concurrent* jurisdiction with the Court of First Instance, provided the requisites in Section 9(d) are satisfied.

The foregoing suggestion, while plausible enough, may still lead to inconsistent results. In the first place, what shall be considered as "cases exclusively cognizable by the CIR"? Shall they be limited to the "quartette of cases" enumerated in the PAFLU case? In the second place, if the CIR and the CFI have concurrent jurisidiction to issue injunctions in "all other cases" involving or growing out of a labor dispute, then the parties would eventually be able to shop for the court which they believe would be "more favorable" to their cause. Instead of fostering a unified policy and entrusting to a specialized judicial instrumentality the highly delicate task of determining and balancing the complicated social and economic issues

[7] PASCUAL, C., LABOR AND TENANCY LAW, 263 (2nd ed. 1960).

involved in a labor dispute, such "freedom of choice of court" would only aggravate the confusion. Moreover, it cannot be denied that the Court of Industrial Relations, by virtue of its nature as an administrative body and a court of justice and equity, is better adapted to handle cases "involving or growing out of a labor dispute." In the candid words of Justice J. B. L. Reyes: "From and after the establishment of the Court of Industrial Relations in 1936, the regular courts have not intervened in labor cases, and are therefore ill-prepared to apply labor laws and policies. And the frequency with which this Court has had to upset their labor injunctions attests to this fact." [8]

However, in view of the apparent ambiguity or inadequacy of precision in the language used in the provision of law on this point, it is hereby suggested that an amendment be made to the Industrial Peace Act, in order to make "more manifest" the legislative intent to confer upon the Court of Industrial Relations exclusive jurisdiction to issue injunctions in all cases involving or growing out of labor disputes. For it is well to remember that vague statutory provisions breed judicial legislation.

Suppose however, that the Court of First Instance had already granted a preliminary injunction in a case involving or growing out of a labor dispute, but during the pendency of the motion for reconsideration of said order, the President of the Philippines certified the labor dispute to the CIR, should the CFI thereby vacate its order and dismiss the case?

In the case of *Rizal Cement Co., Inc. v. Rizal Cement Workers' Union et al.* (G.R. No. L-12747, July 30, 1960) the Supreme Court gave an *affirmative* answer. It held that the CFI correctly dismissed the case and dissolved the injunction because the CIR has *exclusive* jurisdiction when the labor dispute affects an industry which is indispensable to the national interest and when it is certified thereto by the President of the Philippines (Sec. 10, Rep. Act No. 875). The Court, speaking through Chief Justice Paras, made this significant statement: "It is the intention of the Magna Charta of Labor to make the Industrial Court the repository of all actions involving labor disputes and, with more reasons, unfair labor practices."

In this connection, it was held in the recent case of *Pampanga Sugar Development Co. v. CIR, et al.* (G.R. No. L-13178, March 25, 1961) that "when in the opinion of the President, a labor dispute exists in an industry indispensable to national interest and he certifies it to the Court of Industrial Relations, the latter acquires juris-

[8] Allied Free Workers' Union, et al. v Apostol, et al., G. R. No. L-8876, Oct. 31, 1957 (concurring and dissenting opinion).

diction to act thereon in the manner provided for by law. Thus, the court may take either of the following courses: it may issue an order forbidding the employees to strike or the employer to lockout its employees, or, failing in this, it may issue an order fixing the terms and conditons of employment. It cannot throw the case out on the assumption that the certification was erroneous."

Tho Court also stated that certification is "a power that the law gives to the President, the propriety of its exercise being a matter that only devolves upon him. The same is not the concern of the Industrial Court. What matters is that by virtue of the certification by the President, the case was placed under the jurisdiction of said court."

C. *Action for the Recovery of Damages With a Petition for Preliminary Injunction.*

Under the Judiciary Act of 1948, as amended, the Court of First Instance has original jurisdiction over "all civil actions in which the subject matter of litigation is not capable of pecuniary estimation" and "all cases in which the demand, exclusive of interest, or the value of the property in controversy, amounts to more than five thousand pesos." [Sec. 44, (a) and (c)].

In *Allied Free Workers' Union, et al. v. Apostol, et al.*, (G.R. No. L-8876, Oct. 31, 1957), the Supreme Court held that the CFI has jurisdiction where the case merely refers to the recovery of damages occasioned by the picketing undertaken by the members of the Union and the rescission of the arrastre and stevedoring contract previously entered into between the parties. According to the Supreme Court, the lower court may issue injunction as an incident thereto, provided all the requisites prescribed in Sec. 9(d) of Rep. Act No. 875 are strictly complied with, inasmuch as the case was an outgrowth of a labor dispute, although it is not one of the four types of cases enumerated by the Supreme Court in the PAFLU case. The Supreme Court reiterated this rule in the case of *Cueto, et al. v. Ortiz, et al.* (G.R. No. L-11555, May 31, 1960).

*"Interwoven Cases" Rule—*

However, where the action for damages with a petition for preliminary injunction filed with the CFI, is *interwoven with the unfair labor practice case pending before the CIR*, as to which the CIR has exclusive jurisdiction, it follows that the CFI has no jurisdiction to grant the injunction prayed for, even if the petition avers the commission of acts of violence, intimidation and coercion. Injunctive relief must be sought before the CIR which may enjoin said

unlawful acts under Sec. 9(d), Rep. Act No. 875. (*Naric Workers' Union v. Alcendia, et al.*, G.R. No. L-14439, March 25, 1960; *Associated Labor Union v. Rodriguez, et al.*, G.R. No. L-16672, Oct. 31, 1960; *National Garments and Textiles Workers' Union-PAFLU v. Caluag, et al.*, G.R. No. L-9104, Sept. 10, 1956.)

This rule is necessary to avoid multiplicity of suits. (*Lakas ng Pagkakaisa sa Peter Paul v. Victoriano et al.*, G.R. No. L-9290, Jan. 14, 1958.) Moreover, as a labor dispute involving an unfair labor practice is exclusively cognizable by the CIR, the latter has the exclusive power, in the exercise of its exclusive jurisdiction, to issue a temporary restraining order to enjoin any acts committed in connection with said labor dispute. Since the picketing, strikes, or other concerted activities may be *mere incidents to or consequences of the unfair labor practice*, it is but proper that the issuance of injunction be made by the court having jurisdiction over the main case, in order that the writ be issued upon cognizance of all relevant facts. (*Erlanger & Galinger, Inc. v. Erlanger & Galinger Employees Association*, G.R. No. L-11907, June 24 1958.) And it has even been held that where it does not appear that the unfair labor practice case was filed merely to divest the CFI of its jurisdiction, it is not relevant whether the filing of the complaint before the Industrial Court was prior to or later than the filing of the complaint in the civil case for damages with preliminary injunction.[9]

## II. ENFORCEMENT OF COLLECTIVE BARGAINING CONTRACTS.

In the case of *Pambujan Sur United Mine Workers v. Samar Mining Company, Inc.* (G.R. No. L-5694, May 12, 1954), the Supreme Court held that the CIR has *exclusive* jurisdiction over an action for the *enforcement* of a collective bargaining contract and for the recovery of damages for breach thereof. The Court invoked the rule that the jurisdiction of a court is exclusive either by express declaration of the statute or by clear implication from the provisions thereof (21 C.J.S. 730). Hence, while Commonwealth Act No. 103, as amended, "does not explicitly confer exclusive jurisdiction on the Industrial Court," nevertheless, "the resultant inference, rational and sound," is that Congress intended to grant exclusive jurisdiction to the CIR in this type of cases.

The decision in this case was anchored primarily on the provisions of Com. Act No. 103, as amended, which conferred upon the

[9] Naric Workers Union v. Alvendia, G.R. No. L-14439, March 25, 1960.

CIR a very broad jurisdiction over labor-management matters. Would this rule hold true under the provisions of the Industrial Peace Act?

In the *Pambujan* case, the Court made the following observation:

> "Our construction of the legislative will to confer *exclusive* jurisdiction—*particularly as to collective bargaining contracts—is confirmed by Rep. Act No. 875*, effective June 17, 1953. Entitled "An Act to Promote Industrial Peace" and designed partly to advance the settlement of issues between employers and employees thru collective bargaining, it expressly provides that the jurisdiction of the Court of Industrial Relations 'shall be exclusive' to prevent 'unfair labor practices' which terms embrace a refusal to bargain collectively [Sec. 4(a) (6)], and termination or modification of the collective bargaining agreement (Sec. 13) including, inferentially, any breach or disregard of such agreement."

But, in the light of the decision of the Court in the case of *PAFLU v. Tan*, would the CIR still have exclusive jurisdiction over cases for the enforcement of collective bargaining contracts?

In the case of *Dee Cho Lumber Workers' Union v. Dee Cho Lumber Company* (G.R. No. L-10080, April 30, 1957), the precise issue before the Supreme Court was "whether or not the CIR possesses jurisdiction over the case which involves enforcement of a collective bargaining contract." The petitioner contended that in line with the doctrine laid down in the *Pambujan* case, the CIR has jurisdiction over this case, either under the provisions of Com. Act No. 103 as amended, or under the provisions of Rep. Act No. 875. Respondent claimed that the *Pambujan* case does not apply (1) because that case was decided under Com. Act No. 103 when compulsory arbitration was still vested in the CIR, although at the time it was decided, May 12, 1954, the Industrial Peace Act was already in effect; (2) because in the Pambujan case, there was a willful breach on the part of the employer of the closed-shop agreement in that it employed non-union laborers without consulting the Union as agreed; while in the instant case, there has been no breach of contract and the respondent has been paying vacation leave yearly for 6 years under the honest belief that the contract in question should be interpreted prospectively and not retrospectively. Respondent, in effect, contended that the question does not involve an unfair labor practice, but only the construction of the contract, which should be brought before the CFI.

The Supreme Court held that the CIR has no jurisdiction over this particular case for the enforcement of the provisions of a col-

lective bargaining contract. It quoted with approval the following portions of Judge Lanting's decision:

> "Under the Republic Act No. 875, this Court (CIR) may consider such an agreement only in two cases: (*1*) when it is involved in an unfair labor practice case for violation of the duty to bargain collectively (Sec. 4, subsections a(6) and b(3) in connection with Section 13 (2nd paragraph), and (*2*) when in a representation proceeding under Section 12 of said Act for the purpose of determining the exclusive bargaining agent of the employees in the appropriate unit, the existence of a collective bargaining agreement is urged as a bar to such determination."

Then, the Supreme Court concluded:

> "Upon careful examination of the question raised in this appeal and the arguments adduced by both parties, we find that the court below rightly dismissed the case, *firstly*, because the facts of the present case are completely different from those involved in the Pambujan case, and *secondly, because the question raised in this case was squarely decided by us in the case of PAFLU v. Tan, supra.*"

Inasmuch as this case does not fall within the four types of cases specified in the PAFLU case, the CIR has no jurisdiction.

In the case of *Benguet Consolidated Mining Company v. Coto Labor Union* (G.R. No. L-12394, May 29, 1959), the Supreme Court, speaking through Mr. Justice Bautista Angelo, made the pronouncement that "where the parties have already fixed the conditions of employment in a collective bargaining agreement entered into between them and the question that arises is whether said conditions had been compiled with," the CIR has jurisdiction. It added: "And this Court has already ruled that the Court of Industrial Relations has the *exclusive* jurisdiction to *enforce* collective bargaining contracts. (Pambujan Sur United Workers v. Samar Mining Co., Inc., supra.)"

Note that the Court made no mention whatsoever of the Dee Cho case. Perhaps, because it is not in point. In the Benguet case, the CIR has jurisdiction because it involves a "demand for minimum wages where there is an actual strike," and the case was certified to the CIR by the Secretary of Labor, pursuant to the *express* prosions of Section 16(c) of the Minimum Wage Law (Rep. Act No. 602).

In the case of *Philippine Sugar Institute v. CIR, et al.* (G.R. No. L-13098, October 29, 1959), the claimants filed an action in the CIR "to recover *gratuity* and *separation pay*, to which they claim their late father was entitled to under the collective bargaining

agreement entered into by and between the employer (herein petitioner) and its employees, and one month separation pay under the provisions of Rep. Act No. 1052." After quoting the "quartette of cases" enumerated in the PAFLU case, the Supreme Court held that the CIR has no jurisdiction to entertain the instant case. It concluded:

> "The subject matter of the claimants' petition (gratuity and separation pay) filed in the CIR is *not* any of those enumerated. In Dee Cho Lumber Workers' Union v. Dee Cho Lumber Co. (supra), this Court held that the CIR cannot take cognizance of cases for the enforcement of a collective bargaining agreement."

In the case of *Elizalde Paint & Oil Factory, Inc. v. Hon. Jose Bautista, et al.* (G.R. No. L-15904, promulgated on November 23, 1960), the Supreme Court endeavored "to clarify" its previous decisions on the matter of enforcement of collective bargaining contracts.

In this case, it appears that Pedro Basaysay, together with the Union of which he was a member, filed an action in the CIR for the recovery of retirement pay, pursuant to a collective bargaining agreement entered into between the company and the Union, providing for gratuity to any deserving laborer who may retire. The Company filed a motion to dismiss, alleging that the CIR has no jurisdiction. Judge Bautista deferred consideration on said motion, and ordered the presentation of evidence. Hence, this petition for certiorari and prohibition.

The only issue posed by the petitioner was "whether or not the CIR has jurisdiction to take cognizance of this case, involving as it does merely the recovery of certain retirement pay under the collective bargaining contract entered into between the Company and respondent Union."

In holding that the CIR has no jurisdiction, the Supreme Court, with Mr. Justice Bautista Angelo, as *ponente*, gave the following reasons:

> "*Firstly*, since this case involves merely the recovery of certain retirement pay, after the employer-employee relationship between petitioning company and respondent Basaysay had ceased, on account of the latter's separation from the service on January 2, 1958, and he is not seeking his reinstatement, said case is merely for a *money claim cognizable by the regular courts*. (PRISCO v. CIR, G.R. No. L-13806, May 23, 1960).
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> "*Secondly*, although we held in one case (Benguet Consolidated Mining Company v. Coto Labor Union, supra), that the Industrial Court has jurisdiction to enforce a collective bargaining contract, such ruling

*only* applies *if the subject matter of the contract sought to be enforced refers to a labor dispute affecting an industry certified by the President, or when it involves minimum wage, hours of employment, or unfair labor practice.* (Philippine Sugar Institute v. CIR, et al., G.R. No. L-13098, Oct. 29, 1959; Dee Cho Lumber Workers' Union v. Dee Cho Lumber Co., 55 O.G. No. 3, p. 434). Here, the issue refers to *retirement pay*, and not to any of the matters mentioned above." (Emphasis supplied.)

Thus, to recapitulate, the *prevailing rule* is that the CIR has exclusive jurisdiction to enforce a collective bargaining contract, provided the following requisites are present:

(1) The employer-employee relationship is still existing, or is sought to be reestablished (as where the employee seeks reinstatement), and

(2) (a) when the breach or failure to comply with said contract leads to a labor dispute which affects an industry which is indispensable to the national interest and is so certified by the President to the CIR, pursuant to Section 10, Rep. Act No. 875, or

(b) if the subject matter of the contract sought to be enforced involves minimum wages, pursuant to the provisions of Section 16 (b) and (c) of the Minimum Wage Law, or

(c) if the subject of the contract sought to be enforced refers to hours of employment, pursuant to the provisions of Com. Act No. 444, or

(d) where the breach or failure to comply with the contract constitutes an unfair labor practice for violation of the duty to bargain collectively, pursuant to Section 4 (a) (6) and (b) (3), in relation to Section 13, par. 2, of Rep. Act No. 875, or

(e) when in a representation proceeding under Section 12 of Rep. Act No. 875 for the purpose of determining the exclusive bargaining agent of the employees in the appropriate unit, the existence of a collective bargaining agreement is urged as a bar to such determination.

## III. JURISDICTION UNDER THE EIGHT-HOUR LABOR LAW.

In line with the constitutional mandate that the "State shall afford protection to labor", Commonwealth Act No. 444, otherwise known as the Eight-Hour Labor Law, was enacted.

Section 1 of the Act provides: "The legal working day for any person employed by another shall be not more than eight hours daily. When the work is not continuous, the time during which the laborer

is not working and can leave his working place and can rest completely shall not be counted."

The Act requires the payment of overtime compensation in the following cases:

> "Section 3. Work may be performed beyond eight hours a day in case of actual or impending typhoon, earthquake, epidemic, or other disaster or calamity in order to prevent loss of life and property or imminent danger to public safety; or in case of urgent work to be performed on the machine, equipment, or installations in order to avoid serious loss which the employer would otherwise suffer, or some other just cause of a similar nature; but in all such cases, the laborers and employees shall be entitled to receive compensation for the over-time work performed at the same rate as their regular wages or salary, plus at least twenty-five per centum additional.
>
> In case of national emergency, the Government is empowered to establish rules and regulations for the operation of the plants and factories and to determine the wages to be paid the laborers.
>
> "Section 4. No person, firm, or corporation, business establishment or place or center of labor shall compel an employee or laborer to work during Sundays and legal holidays, unless he is paid an additional sum of at least twenty-five per centum of his regular remuneration: Provided, however, That this prohibition shall not apply to public utilities performing some public service such as supplying gas, electricity, power, water, or providing means of transportation or communications."

The Act, however, failed to specify the proper court before which claims for the recovery of overtime compensation must be filed.

### A. *Claims for Overtime Compensation*

There used to be two divergent lines of decisions on the question of whether or not the CIR or the CFI has jurisdiction over claims for overtime compensation.[10]

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[10] In the case of PAFLU v. Tan, 52 O. G. 5835, the Supreme Court held the CIR has jurisdiction when the case "involves hours of employment under the Eight-Hour Labor Law (Commonwealth Act No. 444)."

Then, in the case of Detective and Protective Bureau v. Guevara et al. (G. R. No. L-8738, May 31, 1957), involving claims for refund of deductions from respondents' salaries, payment of additional compensation for work performed on Sundays and holidays, and for night work, and grant of vacation and sick leave pay, the Court held that the CIR has jurisdiction, inasmuch as the claimants were all employees of the Detective and Protective Bureau, Inc. at the time of the filing of their claims in the CIR. To the same effect is the case of Isaac Peral Bowling Alley v. United Employees Welfare Association et al. (G.R. No. L-9881, Oct. 30, 1957).

In Aguilar v. Salumbides (G.R. No. L-10124, Dec. 28, 1957), the Court declared that the CIR has no longer any jurisdiction to hear and determine the claims of *ex-employees*, who seek to recover overtime, wage differential, and separation pay, against their former employer.

But, in the case of Mindanao Bus Employees Labor Union v. Mindanao Bus Co. & CIR (G.R. No. L-9795, Dec. 28, 1957), the claimants, members of the petitioner Union, were actually employed by the respondent Company. Nevertheless the Supreme Court held: "The petitioner Union claims that its members employed by the respondent Company are entitled to overtime wages which have not been paid notwithstanding repeated demands, and prays, 'that after due hearing, respondent employer be ordered to pay for the claims and for such other relilef as justice and equity may merit.' It is clear that the case is for collection of overtime wages claimed to be due and unpaid and does not involve hours of employment under Commonwealth Act. No. 444. Hence, the CIR does not have jurisdiction over the case and correctly dismissed the petition."

Cognizant of this unsatisfactory state of judicial decisions, the Supreme Court was constrained to reexamine its previous decisions, and to "disown" some views made in some of them.

Thus, in *PRISCO v. CIR, et al.* (G.R. No. L-13806, promulgated on May 23, 1960), the Supreme Court, in an opinion penned by Mr. Justice Barrera, *categorically* laid down the following doctrine:

> "Where the employer-employee relationship is still existing or is sought to be reestablished because of its wrongful severance (as where the employee seeks reinstatement), the *Court of Industrial Relations* has

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However, in the case of Roman Catholic Archbishop of Manila v. Yanson, et al. (G.R. No. L-12341), and Elizalde & Co. v. Yanson et al. (G.R. No. L-12345) jointly decided on April 30, 1958, the Court, in a unanimous decision, declared:

"In the present case, it is apparent that the petition below is simply for the collection of unpaid salaries and wages alleged to be due for services rendered years ago. No labor dispute appears to be presently involved since the petition itself indicates that the employment has long terminated and petitioners are not asking that they be reinstated. Clearly, the petition does not fall under any of the cases enumerated in the law as coming within the jurisdiction of the Industrial Court, so that it was error for that court not to have ordered its dismissal.

"Indeed even under C.A. No. 103, as amended by Com. Act No. 559, the court below could not have taken cognizance of the present case. For in order for that court to acquire jurisdiction under the law, the requisites mentioned in Section 4 thereof must all be present, one of them being that there must be an industrial, or agricultural dispute which is causing or likely to cause a strike or lockout. With the employment already terminated years ago, this last mentioned requisite cannot be supposed to still exist."

Then came the case of Gomez v. North Camarines Lumber Co. (G.R. No. L-11945, Aug. 18, 1958). Gomez filed with the CFI of Manila an action for collection of overtime and separation pay. He was *no longer employed* by respondent Company, and he did not ask for reinstatement. Yet, the Supreme Court held that the CIR, and not the CFI, has jurisdiction over the case. After quoting Sec. 16(a) of the MWL, the Court said:

"It is clear from the foregoing that the Court of First Instance has jurisdiction only over controversies involving violations of the MWL. The instant action, however, was for the collection of overtime compensation under the Eight-Hour Labor Law (C.A. No. 444) and for separation pay, and that actions of this nature shall be brought before a court of competent jurisdiction. In this respect, it has been held by this Court that with the enactment of the Industrial Peace Act (R.A. 875), cases involving hours of employment under the Eight-Hour Labor Law specifically fall within the jurisdiction of the Court of Industrial Relations."

Later, in NASSCO v. Almin et al (G.R. No. L-9055, Nov. 28, 1958), the Court upheld the jurisdiction of the CIR to hear and determine the claims of respondents for overtime compensation for work on Sundays and holidays. Respondents therein were actually and presently in the employ of the petitioner.

In the case of Ckua Workers Union v. City Automotive Co. et al. (G.R. No. L-11655, April 29, 1959), the Supreme Court held:

"The petitioner-union claims that its *members employed by the respondent-company* are entitled to overtime wages which have not been paid notwithstanding repeated demands, and prays that after due hearing, respondent employer be ordered to pay for the herein claims. . . . It is clear that the case is for collection of overtime wages claimed to be due and unpaid and does not involve hours of employment under Commonwealth Act No. 444. Hence the court (CIR) does not have jurisdiction and correctly dismissed the petition."

Then, in Monares v. CNS Enterprises (G.R. No. L-11749, May 29, 1959), the Supreme Court held that the CIR has jurisdiction where the claimants although no longer in the service of the employer, seeks in his petition the payment of differential and overtime pay and his reinstatement.

In the case of NASSCO v. CIR et al. (G.R. No. L-13888, April 29, 1960), the Supreme Court made these pronouncements:

"Denying the jurisdiction of the Industrial Court, NASSCO cited several decisions of this Tribunal which at first glance, sustained its position. However, in view of other decisions upholding such jurisdiction, the petition for review was on April 11, 1958, dismissed for lack of merit.

"That resolution having become final, is the law of the case; so the new petition for review by writ of certiorari is not granted."

Then, the Court made these observations:

"At any rate, we think that the controversy between 39 employees of the NASSCO over payment for work in excess of eight hours, including Sundays, legal holidays and nighttime may properly be regarded to be within the scope of the powers of the Industrial Court, since it is *practically a labor dispute* that may lead to conflict between the employees and the management."

"If the claimants were not actual employees of the NASSCO—e.g. they have severed their connection with it or were dismissed, but do not insist on reinstatement—their claim for overtime compensation would become simply a monetary demand properly cognizable by the regular courts."

From here on, it was just one step to the enunciation of the "underlying principle" in the case of PRISCO v. CIR, et al. (G.R. No. L-13806, promulgated on May 23, 1960). From then on, up to the present, the PRISCO case "leads" the way.

jurisdiction over all claims arising out of, or in connection with the employment, such as those related to the Minimum Wage Law and the *Eight-Hour Labor Law*. After the termination of the relationship and no reinstatement is sought, such claims become mere money claims, and come within the jurisdiction of the *regular courts*."

The Court admitted:

"We are aware that in 2 cases (Mindanao Bus Employees Labor Union v. Mindanao Bus Co., G.R. No. L-9795, Dec. 28, 1957; Gomez v. North Camarines Lumber Co., Inc., G.R. No. L-11945, Aug. 18, 1958), some statements implying a different view have been made, but *we now hold and declare the principle set forth in the next preceding paragraph as the one governing all cases of this nature*"

Applying the afore-quoted doctrine to the instant case, the Court concluded:

"It appearing that in the present case, the respondents-claimants are, or at least were, at the time of presenting their claims, actually in the employ of herein petitioner, the CIR correctly took cognizance of the case."

The *rationale* for the doctrine laid down in the PRISCO case was elaborated in the case of *N.D.C. v. Aralar, et al.*, (G.R. No. L-14258, July 26, 1960), in the following tenor:

"We have in the past uniformly held that for those employees and laborers who are still in the employ of the company or who have been illegally dismissed but seek reinstatement, they may prosecute those claims before the CIR, *the reason being that their claim for payment or reinstatement may be considered a labor dispute, and may lead to a strike or disturbance in industrial peace.*"

"Hence, claims for overtime, underpayment, wage differential, separation pay, etc., which constitute *money claims* filed by *ex-employees* of the company fall under the jurisdiction of competent courts and not the CIR for the reason that the relation of employer and employee has already ceased; that only when an ex-employee making such a money claim seeks reinstatement may the CIR exercise jurisdiction *for the reason that the claim for reinstatement may involve unfair labor practice.*"

However, for the purpose of determining jurisdiction, a petition for the enforcement of a final and executory award or decision of the CIR is *not* a mere money claim, hence, the CIR retains jurisdiction over said petition. In justifying this decision, the Court laid down the following rule in the Aralar case:

"For jurisdictional purposes, *we consider* a *money claim* by a worker or laborer, whether still in or already outside the service of the company, *to be a demand for payment of a sum of money in the form of overtime,*

> *underpayment, work on Sundays and holidays, etc., which still has to be prosecuted before a court and established by competent evidence, which would necessitate a decision or award.* But in the present case, however, the petition is merely for the enforcement or implementation of a decision or award already rendered, final and executory. Consequently, we hold that the CIR has jurisdiction over the said issue, one of the reasons being that there is no better court or judicial entity to enforce and implement a decision or award than the court that as a result of a hearing and other proceedings, rendered it."

*Ajax International Corporation v. Seguritan, et al.*, (G.R. No. L-16038, Oct. 25, 1960) is authority for the rule that where the claimant for overtime compensation "ceased working due merely to the strike staged by the Union of which he is a member and the strike is pending settlement before the Industrial Court," the CIR has jurisdiction over the case because "until and unless the strike is definitely decided, it cannot be said that the employer-employee relationship had terminated, for the outcome may still be that the strike is legal and the strikers entitled to reinstatement." For, generally, a strike is not abandonment of employment, and workers do not cease to be employed, in legal contemplation, simply because they struck against their employer. (*San Carlos Milling Co., Inc. v. CIR et al.*, G.R. Nos. L-15453 and 15723, promulgated on March 17, 1961).

In *Sampaguita Pictures, Inc. v. CIR et al.*, (G.R. No. L-16404, Oct. 25, 1960), the Court held that it should now be considered "*settled doctrine* that when the complaint involves the recovery of wages for overtime services rendered by an employee or laborer, the Court of Industrial Relations has *exclusive jurisdiction* to act thereon if it appears that there exists between the claimant and the respondent an *employer-employee relationship*, or if such no longer exists, if the complaint includes a *prayer for reinstatement to the service.*"

In *Pan American World Airways System v. Pan American Employees Association*, (G.R. No. L-16275, February 23, 1961), the Supreme Court, with Mr. Justice J. B. L. Reyes, as *ponente*, reiterated that:

> "On the issue of jurisdiction over claims for overtime pay, we have since *definitely ruled* in a number of recent decisions that the Industrial Court may properly take cognizance of such cases if, at the time of the petition, the complainants were still in the service of the employer, or, having been separated from such service, should ask for reinstatement; otherwise, such claims should be brought before the regular courts."

Thus, *as of now*, it is safe to say that the principle laid down in the PRISCO case is the governing rule on the question of jurisdiction over cases involving claims for overtime compensation. (Manila Port Service v. CIR, et al., G.R. No. L-16994, June 30, 1961; Republic Savings Bank v. CIR, et al., G.R. No. L-16637, June 30, 1961; De los Santos v. Quisumbing, G.R. No. L-15376, June 30, 1961; Phil. Wood Products, et al. v. CIR, et al., G.R. No. L-15279, June 30, 1961; Dableo v. Luzon Stevedoring Co., G.R. No. L-15370, May 31, 1961; Fookien Times Co. v. CIR, et al., G.R. No. L-16025, March 27, 1961; Cuison v. Goite, G.R. No. L-16611, March 25, 1961).

## IV. JURISDICTION UNDER THE MINIMUM WAGE LAW

Republic Act No. 602, otherwise known as the Minimum Wage Law, expressly delineates the jurisdiction of the CIR and the CFI in the following manner:

> "Sec. 16. Jurisdiction of the courts.—
>
> (a) The *Court of First Instance* shall have jurisdiction to restrain violations of this Act; action by the Secretary (of Labor) or by the employees affected to recover *underpayment* may be brought in any competent Court, which shall render its decision on such cases within fifteen days from the time the case has been submitted for decision; in appropriate instances, appeal from the decisions of these courts or any action under this Act shall be in accordance with applicable law.
>
> (b) In the event that a *dispute case before the Court of Industrial Relations involves* as the sole issue or as one of the issues *a dispute as to minimum wages above the applicable statutory minimum*, and the Secretary of Labor has issued no wage order for the industry or locality applicable to the enterprise, the Court of Industrial Relations may hear and decide such wage issue: Provided, however, That the Secretary of Labor shall not undertake to fix the minimum wage for an industry or branch thereof which involves only a single enterprise or a single employer.
>
> (c) Where the *demands of minimum wages involve an actual strike*, the matter shall be submitted to the Secretary of Labor, who shall attempt to secure a settlement between the parties through conciliation. Should the Secretary fail within fifteen days to effect said settlement, he shall indorse the matter together with other issues involved, *to the Court of Industrial Relations* which will acquire jurisdiction on the case including the minimum wage issue, and after a hearing where the views of the Secretary of Labor will be given, will decide the case in the same manner as provided in other cases. The decision shall be rendered by the court *in banc* within fifteen days after the case has been submitted for determination, and its finding of facts shall be conclusive if supported by substantial evidence, and shall be subject only to an appeal by certiorari." (Emphasis supplied.)

In the case of *Donato v. Philippine Marine and Radio Operators Association*, G.R. No. L-12506, May 18, 1959), the Supreme Court held that the CIR has no jurisdiction to fix the backpay due to a reinstated employee, at the minimum wage prescribed by the Minimum Wage Law. It made these pronouncements:

> "*Underpayment of the minimum wage* or violation of the Minimum Wage Law is not one of the acts of unfair labor practice enumerated in Republic Act No. 875, particularly Sec. 4 thereof. . . .
>
> * * * * *
>
> "Moreover, only the Courts of First Instance have jurisdiction over cases arising from the Minimum Wage Law. Section 16 of said Law, Republic Act 602, provides that the Court of First Instance shall have jurisdiction to restrain violations of said Act. In the case of Cebrero v. Talanan, G.R. No. L-11924, May 16, 1958, involving among other things, underpayment by an employer to an employee, we said, through Mr. Justice Alex Reyes, that under R.A. 602, known as the Minimum Wage Law, an employee is authorized to bring an action in the *regular courts* for the recovery of unpaid wages. The Industrial Court with its limited jurisdiction does not come under the category of regular courts."

As previously adverted to, the Supreme Court, in the case of *PRISCO v. CIR*, enunciated the rule that "where the employer-employee relationship is still existing or is sought to be reestablished because of its wrongful severance (as where the employee seeks reinstatement), the Court of Industrial Relations has jurisdiction over *all claims arising out of, or in connection with the employment, such as those related to the Minimum Wage Law* and the Eight-Hour Labor Law. After the termination of the relationship and no reinstatement is sought, such claims become mere money claims, and come within the jurisdiction of the regular courts."

While the PRISCO case properly involves overtime compensation, the pronouncement by the Court relative to the Minimum Wage Law is quite misleading. The Court seems to be of the opinion that all claims under the Minimum Wage Law, such as for unpaid wages and underpayment, fall within the jurisdiction of the CIR, provided the "requisite" laid down by the Court is satisfied, namely, that the "employer-employee relationship is still existing or is sought to be reestablished because of its wrongful severance (as where the employee seeks reinstatement)."

It is submitted that the existence of said "requisite," by itself, is not sufficient to confer jurisdiction upon the CIR. In order that the CIR may have jurisdiction over demands for minimum wages,

it is indispensable that the conditions specified in either Sec. 16 (b) or (c), as the case may be, must all concur or be present. Indeed, in an earlier case [11] decided by the Supreme Court, it enumerated the elements that must concur to confer jurisdiction upon the CIR under Sec. 16 (c), to wit: (1) a demand for minimum wages; (2) the demand must involve actual strike; (3) submission of the matter to the Secretary of Labor for settlement; (4) failure of the Secretary to effect settlement within 15 days; and (5) endorsement of the dispute "together with other issues involved" to the Court of Industrial Relations.

The problem of jurisdiction over money claims of employees and laborers became more complicated with the establishment of Regional Offices under the Department of Labor, pursuant to the provisions of Reorganization Plan No. 20-A. This Reorganization Plan, dated December 10, 1956, was made by the Government Survey and Reorganization Commission, purportedly in the exercise of the powers conferred upon it by Rep. Act No. 997, which included, *inter alia*, the authority to group, coordinate, abolish and reorganize functions and positions, departments, bureaus and offices of the Executive Branch of the Government.

Under the Reorganization Plan No. 20-A, the Regional Offices were vested with the following original and exclusive jurisdiction:

> "25. Each Regional Office shall have *original and exclusive jurisdiction over all cases affecting all money claims arising from violations of labor standards or working conditions, including but not restrictive to: unpaid wages, underpayment,* overtime, separation pay, and maternity leave *of employees and laborers;* and unpaid wages, overtime, separation pay, vacation pay, and payment for medical services of domestic help." (Emphasis supplied.)

The grant of original and exclusive jurisdiction "over all cases affecting all money claims of employees and laborers" upon the Regional Offices is clearly inconsistent with the provisions of existing laws, particularly the Minimum Wage Law, conferring jurisdiction over such claims to the Court of First Instance or the Court of Industrial Relations, as the case may be. The question, therefore, is whether the Government Survey and Reorganization Commission *exceeded* the limits of the authority conferred upon it by Rep. Act No. 997, when the Commission vested the Regional Offices with such original and exclusive jurisdiction over all cases affecting all money claims of employees and laborers.

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[11] Benguet Consolidated Mining Co. v. Coto Labor Union, G.R. No. L-12394, May 29, 1959.

In the leading case of *Corominas, Jr., et al. v. Labor Standards Commission*, G.R. No. L-14837, promulgated on June 30, 1961,[12] the Supreme Court definitely answered the question in the *affirmative*. Consequently, it held that the "provision of Reorganization Plan No. 20-A, particularly Section 25, which grants to the regional offices original and exclusive jurisdiction over money claims of laborers, is null and void." Speaking through Mr. Justice Labrador, the Court stated, thus: "A cursory study of these provisions of Republic Act No. 997 will show that nowhere therein is there a grant of authority to the Government Survey and Reorganization Commission to grant powers, duties and functions to offices or entities to be created by it, which are not already granted to the offices or officials of the Department of Labor. Section 4 . . . authorizes the elimination of overlapping services, activities and functions, and the consolidation of agencies or instrumentalities exercising said duties and functions. There is no grant of power to allocate to the bodies and offices to be created or set up functions, powers and duties not then already vested in the various offices and officials of the Department of Labor. Section 3 limits the powers of reorganization by the Commission to the offices, bureaus and instrumentalities of the Executive Branch of the Government only. So that it was not the intention of Congress, in enacting Republic Act No. 997, to authorize the transfer of powers and jurisdiction granted to the courts of justice, from these to the officials to be appointed or offices to be created by the Reorganization Plan. Congress is well aware of the provisions of the Constitution that judicial powers are vested 'only in the Supreme Court and in such courts as the law may establish.' The Commission was not authorized to create courts of justice, or take away from these their jurisdiction and transfer said jurisdiction to the officials appointed or offices created under the Reorganization Plan. The Legislature could not have intended to grant such powers to the Reorganization Commission, an executive body, as the Legislature may not and cannot delegate its power to legislate or create courts of justice to any other agency of the Government." By this decision, the Supreme Court dispelled the cloud of confusion as to the jurisdiction of the Regional Offices over cases involving money claims of employees and laborers, which properly fall within the jurisdiction of the CIR or the CFI, as the case may be, under the provisions of existing laws and in the light of the jurisprudential decisions of the Supreme Court in relation thereto.

[12] MCI v. Calupitan, G.R. No. L-15483, June 30, 1961; Wong Chun v. Carlim, G.R. No. L-13940 June 30, 1961; Sebastian v. Gerardo, G.R. No. L-15819, June 30, 1961.

## CONCLUSION

We "recognize without hesitation that judges must and do legislate, but they do so interstitially; they are confined from molar to molecular motions." [13] Indeed, it is a rule of positive law that "no judge or court shall decline to render judgment by reason of the silence, obscurity or insufficiency of the laws." [14]

But far more important than anything else is that the court should be right.[15] Hence, it is the bounden duty of every court to reexamine its own decisions and to revise them without reluctance.[16] For "jurisprudence must be *carefully* progressive and not impetuously aggressive." [17]

It is, therefore, gratifying to note that the Supreme Court has not hesitated to take a closer analytic look at its past decisions. For a constant and thorough re-examination of past doctrines in the light of the applicable statutory provisions and the beneficient purposes intended to be served thereby, is necessary in order that a proper delineation of the twilight zones of jurisdiction of the CIR and the CFI in labor relations cases may be arrived at with legal certainty and logical consistency.

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[13] Southern Pacific Co. v. Jensen, 244 U.S. 205, 221, 375 S. Ct. 524, 531 (1917).
[14] Article 9, Rep. Act No. 386 (Civil Code of the Philippines).
[15] Phil. Trust Co. v. Mitchell, 59 Phil. 30, 36 (1933).
[16] Baker v. Lorillard, 4 N.Y. 257; Torres v. Tan Chim, 69 Phil. 518, 533 (1940).
[17] Guevara v. Guevara, 74 Phil. 479, 511 (1943).

THIS ISSUE IS DEDICATED TO THE MEMORY

OF

GEORGE ARTHUR MALCOLM

November 5, 1881, Concord, Michigan
May 16, 1961, Los Angeles, California

FOUNDER AND FIRST DEAN

OF THE

COLLEGE OF LAW
UNIVERSITY OF THE PHILIPPINES