LABOR AND TENANCY LAW

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There were only a few cases decided by the Supreme Court in the field of labor and tenancy law in 1961. But many of them are very significant, clarifying many of the Court's decision promulgated in previous years.

The titles of the 1961 cases are given in italics in order to distinguish them readily from other cases decided by the Supreme Court.

I. LABOR RELATIONS LAW

A. UNIONIZATION AND COLLECTIVE BARGAINING.

The policy declaration on the right of labor to self-organization and collective bargaining is found in Section 1(a) and Section 3 of the Industrial Peace Act, Republic Act No. 875, approved June 17, 1953. To protect these rights, the Industrial Peace Act, Section 4(a) and (b) has outlawed certain acts and activities as unfair labor practices, whether they are committed by labor or by management.

1. Unfair Labor Practices.

One of the unfair labor practices on the part of management that is proscribed in Section 4(a) (5) of the Industrial Peace Act is to "dismiss, discharge, or otherwise discriminate against an employee for having filed charges or for having given testmony or being about to give testimony under this Act."

What exactly is the meaning of the modifying phrase "under this Act" appearing after the last item?

In the case of *Ermidia A. Mariano v. Royal Interocean Lines et al.*, G.R. No. L-12429, February 27, 1961, the Supreme Court faced the issue of whether or not an employer is guilty of unfair labor practice in having dismissed an employee who has filed charges against the former *not* in any way connected with or necessarily arising out of union activities.

The Court ruled that the filing of the charges must be related to the employee's right to self-organization and collective bargaining if the charge of unfair labor practice based on Section 4(a) (5)

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of Rep. Act No. 875 is to prosper against the employer. In other words, the three acts mentioned in Section 4(a) (5) of the Industrial Peace Act: (1) having filed charges, or (2) having given testimony, or (3) being about to give testimony, must have reference to the employee's rights guaranteed in Section 3 of the Industrial Peace Act, namely, the right of self-organization and to form, join or assist labor organizations of his own choosing for purposes of collective bargaining through representatives of his own choosing, and the right to engage in other concerted activities for the purpose of collective bargaining and other mutual aid or protection.

This indeed is the meaning of the phrase "under this Act" because the element of all unfair labor practices is interference with, restraint or coercion of employees in the exercise of the rights guaranteed in Section 3 of the Industrial Peace Act. Since there is ample evidence in the record of the case that the employee's dismissal is not connected with union activities then the dismissal is not an unfair labor practice on the part of management.

2. Remedial Orders in Unfair Labor Practice Cases.

One of the purposes of a remedial order issued by the Court of Industrial Relations in accordance with the requirements of Section 5(c) of the Industrial Peace Act is to undo the harm done to an employee as a result of the unfair labor practice of the employer and to restore the aggrieved party to the position or state he had or would have had were it not for the unfair labor practice. But this concrete power of the Court of Industrial Relations is not unlimited. Whatever affirmative action is taken by the Court of Industrial Relations must be one that will put into effect the policies of the Industrial Peace Act. (NLRB v. District 50, United Mine Workers of America et al., 355 U.S. 453, 2 L. Ed. 2d 401, 78 S. Ct. 386 [1958]). One of the affirmative actions that the Court of Industrial Relations may take is to order the reinstatement of an aggieved employee with or without backpay and in either case whatever rights the employee may have had prior to his dismissal. (Sec. 5[c], Rep. Act No. 875).

In *National Labor Union v. Insular-Yebana Tobacco Corporation,* G.R. No. L-15363, July 31, 1961, a case of first impression in our country, one of the issues that confronted the Supreme Court is whether or not the Court of Industrial Relations can grant this particular remedial action even if the complaint for unfair labor practice is to be dismissed because the alleged unfair labor practice has not been proved or found to exist. The Supreme Court ruled

that this cannot be done without violating the spirit of the law. The reason for this, according to the Supreme Court, is that "there is no provision in Section 5 (of the Industrial Peace Act) for the return or reinstatement of a dismissed employee, *if the charge for unfair labor practice has not been proved.*" For, very likely, the dismissal of the employee was for cause. At any rate, the provision of the law, according to the Supreme Court, is "clear and express that if the acts alleged to have been committed as constituting unfair labor practice have not been proved, or if the complainant asks for the dismissal of the case, the charges for unfair labor practice *shall be dismissed.*"

B. Employers and Employees Under the Industrial Peace Act.

Under the law and the decisions of the Supreme Court, not all employers and not all employees fall within the jurisdiction of the Court of Industrial Relations.

1. Employers.

Non-industrial or non-profit institutions and the Government, including its political subdivisions or instrumentalities, in its public or governmental aspect, are not within the jurisdiction of the Court of Industrial Relations. It is devoid of any authority over them.

There were two cases decided by the Supreme Court in 1961 along this principle, which was first enunciated in the leading cases of Boy Scouts of the Philippines v. Juliana V. Araos, G.R. No. L-10091 (1958) and Naric Workers' Union et als. v. Carmelino Alvendia et als., G.R. No. L-14439 (1960).

In the case of *Bureau of Printing et als. v. Bureau of Printing Employees Association et als.*, G.R. No. L-15751, January 28, 1961, the Supreme Court ruled that the Bureau of Printing is not an employer within the jurisdiction of the Court of Industrial Relations because it is an instrumentality of the Government set up to meet its printing needs, has no corporate existence, and its appropriations provided for in the general appropriations act. In other words, it is engaged in governmental functions and not for pecuniary profit. To the contention that the Bureau of Printing receives outside jobs and that many of its employees are paid for overtime work on regular working days as well as holidays, the Supreme Court ruled that these facts are not sufficient to justify the conclusion of the Court of Industrial Relations that the funcions of the Bureau of Printing are proprietary in nature. In other words, these facts do not meet the "pure and exclusive" test laid down in the case of Naric Workers'

Union et als. v. Carmelino Alvendia et als., *supra*. With regards to outside jobs received by the Bureau of Printing, the Supreme Court found as uncontradicted evidence in the record of the case that such work is done only upon request and never solicited and only as the requirements of Government work will permit. Thus, concluded the Supreme Court, the facts do not warrant the conclusion of the Court of Industrial Relations that the functions of the said Bureau are exclusively proprietary in character.

In the case of *Department of Public Services Labor Unions v. Court of Industrial Relations et als.*, G.R. No. L-15458, January 28, 1961, the mayor and municipal board of Manila moved to dismiss the petition of the labor unions on the ground that the Court of Industrial Relations has no jurisdiction over the case. The Supreme Court sustained the order of dismissal issued by the Court of Industrial Relations on the ground that the City of Manila, through the Department of Public Services, "is not functioning in its proprietary or private capacity but rather in its governmental or public character." The City of Manila "does not obtain any special corporate benefit or pecuniary profit" in the collection and disposal of garbage but "acts in the interest of health, safety and the advancement of the public good or welfare as affecting the public generally."

2. Employees.

The term "employee" is broadly defined in Section 2 (d) of Rep. Act No. 875 to include: 1) any employee and shall not be limited to the employee of a particular employer unless the Act explicitly states otherwise, and 2) any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice and who has not obtained any other substantially equivalent and regular employment.

The reason for this broad coverage is found in modern conditions of employer organizations that extend beyond the operations of a single employer. Besides labor organizations also enter into collective bargaining agreements with a single employer or with an association of employers. As a result of these involved labor relations, employees are many times brought into economic relations with employers who may not be their employers at all. (Senate Committee on Labor and Education, Report No. 573, 74th Congress, 1st Session, 6-7, 1935). But broad as the definition may be there are, in our jurisdiction, certain well recognized exceptions, among which are non-industrial employees and independent contractors.

But it is not always easy to classify workers and laborers either as "employees" or "independent contractors." The scope of these terms must therefore be understood with reference to the purposes of the Industrial Peace Act and the material facts involved in the economic relationship. The problem is doubly significant because a person who is an "independent contractor" for purposes of imposing liability in tort may be an "employee" for purposes of a particular legislation. In other words, is the situation one involving an employer-employee relationship or is it one involving an independent contractor-prime entrepreneur relationship.

To decide this problem the simple "right of control" test was first formulated. But its application does not always result in a just solution. As the Supreme Court of the United States said its "simplicity has been illusory because it is more largely simplicity of formulation than of application." NLRB v. Hearst Publication, Inc., 322 U.S. 111 (1954). This led to the formulation of the more reliable "economic facts of the relation" test. Said the Supreme Court of the United States:

> "In short when the particular situation of employment combines those characteristics so that the *economic facts of the relation* make more nearly one of employment than of independent business enterprise with respect to the ends sought to be accomplished by the legislation, those characteristics may outweigh *technical legal classification* for purposes unrelated to the statute's objectives and bring the relation within its protection." (NLRB v. Hearst Publication, Inc., 322 U.S. 111, 88 L.Ed. 1170, 64 S. Ct. 851; Emphasis supplied).

In the cases of *LVN Pictures, Inc. v. Philippine Musicians Guild et al.*, G.R. No. L-12582, January 28, 1961, and *Sampaguita Pictures, Inc. v. Philippine Musicians Guild et al.*, G.R. No. L-12598, January 28, 1961, the issue involved is whether or not the musicians involved in said cases are "employees" of the respondent movie companies or "independent contractors."

The Supreme Court in scrutinizing the economic facts involved (not any other type of facts, *e.g.*, social or political) in these cases concluded that the musicians are not independent contractors but employees of the movie companies and, therefore, under the protection of the law, *i.e.*, they had the right to form into a union and ask for collective bargaining.

It should be noted that the Court of Industrial Relations referred to the standard it applied as the "right of control" test. The Supreme Court in accepting the decision of the industrial court seemed to have accepted also this nomenclature, although in two

previous cases the Supreme Court used the correct designation of the standard.[1] This is merely an oversight I'm sure and there should be no confusion.

The case of *Teodorico B. Santos v. Court of Industrial Relations et al.*, G.R. No. L-17196, December 28, 1961, is important for it is a definitive ruling on the question of whether or not agricultural laborers are employees within the meaning of that term as used in Section 2 (d) of the Industrial Peace Act.

The Court of Industrial Relations has thought all along that agricultural laborers who belong to peasant unions fall within its jurisdiction and as such are authorized to bring unfair labor practice charges against landholders. In this particular case, the Court of Industrial Relations followed its thinking on the problem and ordered the landholder to reinstate the agricultural laborers to their former positions without loss of seniority and with backpay.

On appeal the Supreme Court overruled the Court of Industrial Relations and held that agricultural laborers are obviously not within the meaning of the term "employee" as used in the Industrial Peace Act. The action should have been brought to the Court of Agrarian Relations, even if nothing is said therein relative to unfair labor practices. Such court has the exclusive jurisdiction over "the entire Philippines to consider, investigate, decide, and settle all questions, matters, controversies, or disputes involving all those relationships established by law which determine the varying rights of persons in the cultivation and use of agricultural land where one of the parties works the land." (Section 7, Rep. Act No. 1409).

It should be noted that Republic Act No. 2263 which was subsequently enacted grants to agricultural workers the right to file actions of this nature in the Court of Agrarian Relations.

C. UNION SECURITY AND STRENGTH

In order to attain trade union objectives and to meet the specific needs of its members, labor unions themselves must need to be strong. Thus, labor unions have devised union security provisions for inclusion in collective bargaining agreements to establish union strength with respect to employers, other labor unions, and workers or laborers. One of these devices is the "shop arrangement" provision (of which there are many). Another is the "check-off" provision.

[1] See Sunripe Coconut Products Co. v. Court of Industrial Relations, G.R. No. L-2009, 46 O.G. 5506; Cruz et al. v. Manila Hotel Company, G.R. No. L-9110, 53 O.G. 8540.

1. The "Closed-Shop" Arrangement.

In the Philippines, the "closed-shop" arrangement is recognized in Section 4 (a) (4) of Rep. Act No. 875. There is no question that this type of shop arrangement is discriminatory. What is more, it is a conspiracy between management and the labor union that is the collective bargaining agent of all the former's employees. But it is expressly excepted from the catalog of unfair labor practices under said section of the law.

In the United States, the federal policy has already changed from "closed-shop" to "union-shop and maintenance of membership arrangement" by virtue of Section 8 (a) (3) of the Taft-Hartley Act (1947). This was necessary because labor unions in the United States have already gone a long way in the trade union movement and are becoming overly strong for their own good.

In 1961 the Supreme Court decided two cases concerning the "closed-shop" arrangement. In these cases the Supreme Court clarified its ruling on the scope of this particular type of union security device, which it first enunciated in the case of Confederated Sons of Labor v. Anakan Lumber Company et als., G.R. No. L-12503, April 29, 1960. In the cases of *Freeman Shirt Manufacturing Co., Inc. et al. v. Court of Industrial Relations et als.*, G.R. No. L-16561, January 28, 1961 and *Talim Quarry Co., Inc. et al. v. Gavino Bartolo et als.*, G.R. No. L-15768, April 29, 1961, the Supreme Court ruled that the "closed-shop" arrangement authorized under Section 4 (a) (4) of Rep. Act No. 875 applies only to persons to be hired or to employees who are not yet members of any labor union or organization. It is inapplicable to workers or laborers already employed and are members of another labor union. To support this view, the Supreme Court said:

> "To hold otherwise, i.e., that the employees of a company who are members of a minority union may be compelled to disaffiliate from their union and join the majority or contracting union, would render nugatory the right of all employees to self-organization and to form, join or assist labor organization of their own choosing, a right guaranteed by the Industrial Peace Act (Sec. 3, Rep. Act No. 875) as well as the Constitution (Art. III, Section 1[6]).
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> "Section 12 of the Industrial Peace Act [which provides] that when there is reasonable doubt as to who the employees have chosen as their representative the Industrial Court can order a certification would also become useless. For once a union has been certified by the court and enters into a collective bargaining agreement with the employer a closed-shop clause applicable to all employees be they union or non-union members, the question of majority representation among the employees would

be closed forever. Certainly, there can no longer exist any petition for certification election, since eventually the majority or contracting union will become a perpetual labor union. This alarming result could not have been the intention of Congress. The Industrial Peace Act was enacted precisely for the promotion of unionism in this country." (*Freeman Shirt Manufacturing Co., Inc. et al. v. Court of Industrial Relations et als.*, G.R. No. L-16561, January 28, 1961).

D. THE COURT OF INDUSTRIAL RELATIONS

The existence of the Court of Industrial Relations, as established under Commonwealth Act No. 103, is continued under Section 2 of the Industrial Peace Act.

1. The Problem of Jurisdiction of the CIR.[2]

The decision in the case of PAFLU v. Tan, 52 O.G. 5836, confining the jurisdiction of the Court of Industrial Relations to only four types of cases, leaving the rest to the regular courts even if they grow out of a labor dispute, is slowly but surely being emasculated by the decisions of the Supreme Court. It is interesting to note though that the freshman member of the Court, Mr. Justice Felipe Natividad, referred to it in the case of *Benito Sy Huan v. Jose P. Bautista et als.*, G.R. No. L-16115, August 29, 1961.

In the case *Philippine Wood Products et al v. Court of Industrial Relations et als.*, G.R. No. L-15279, June 30, 1961, the Supreme Court, speaking through Mr. Justice Padilla, observed that the mistake of the Court of Industrial Relations in dismissing the petition filed by several laborers against their employer for the recovery of salary differential, overtime and separation pays coupled with a prayer for reinstatement to their respective positions (which is not one of the four types of cases enumerated in PAFLU v. Tan), should not be chalked up against the industrial court because it was merely relying on PAFLU v. Tan, 52 O.G. 5836. The Supreme Court said that the "confusion brought about by the contradictory" decision in PAFLU v. Tan (which caused the dismissal of the case by the Court of Industrial Relations) and the subsequent cases (which led the industrial court to reopen it) should not be attributed to the respondent court and the claimants should not be made to suffer by such confusion as to the jurisdiction of the Court of Industrial Relations.

In another case, *Republic Savings Bank v. Court of Industrial Relations et al.*, G.R. No. L-16637, June 30, 1961, the Supreme Court, speaking this time through Mr. Justice Labrador, expressly stated that the Court of Industrial Relations still retains its exclusive juris-

[2] PASCUAL, C., LABOR AND TENANCY LAW, 258-263 (1960).

diction (*Manila Port Service et al. v. Court of Industrial Relations et al.*, G.R. No. L-16994, June 30, 1961) over money claims, notwithstanding the decision in PAFLU v. Tan, present certain conditions which will be discussed later.

2. Jurisdiction of the Court of Industrial Relations Under the Industrial Peace Act.

In 1961 only one case was decided by the Supreme Court concerning the jurisdiction of the Court of Industrial Relations under Republic Act No. 875.

(a) *Over Labor Disputes in Industries Indispensable to the National Interest.*

The statement of policy concerning this particular jurisdiction of the Court of Industrial Relations is found in Section 7 of the Industrial Peace Act.

The exclusive power of the Court of Industrial Relations to arbitrate compulsorily questions as to terms and conditions of employment in cases of this nature is dependent on the existence of three factors: 1) the President of the Republic of the Philippines certifies to the Court of Industrial Relations the existence of a labor dispute in an industry indispensable to the national interest, 2) an investigation is conducted by the Court of Industrial Relations on the matter in order to get the parties to settle their difference amicably and during the preliminary investigation the Court of Industrial Relations may issue an injunction restraining the employees to strike or the employer to lockout the employees, and 3) the Court of Industrial Relations fails in its attempt to reconcile the parties and no other solution to the labor dispute is found.

Two cases decided by the Supreme Court in 1961 involved the first condition required by Section 10 of the Industrial Peace Act.

In the case of *Pampanga Sugar Development Company v. Court of Industrial Relations et al.*, G.R. No. L-13178, March 25, 1961, a minority labor union submitted to the management of Pampanga Sugar Development Company a set of demands involving the areas of collective bargaining. These demands were not heeded due to the fact that the said minority union was not the collective bargaining representative with which the management had a collective bargaining contract. Indeed the management of Pampanga Sugar Development Company asked the Court of Industrial Relations to refuse jurisdiction over the dispute on this ground when the case reached the Court of Industrial Relations upon its certification to it by the President of the Philippines. As a result of the refusal

of management to entertain the demands, the minority labor union went on a strike. As it coincided with the milling season of 1955-1956, the President of the Philippines certified the dispute to the Court of Industrial Relations as one occurring in an industry which is important to the national interest.

The management of Pampanga Sugar Development Company made much ado about the fact that the minority labor union lost in the certification election and thus is not the exclusive bargaining representative of all the employees of the company. It was contended that a minority union cannot create a labor dispute which could be certified by the President to the Court of Industrial Relations for settlement under Section 10 of the Industrial Peace Act for that would be in disregard of Section 12 (a) of the Act giving the collective bargaining agent the exclusive right to represent all the employees of the company with regards to the areas of collective bargaining.

But the Supreme Court ruled that this fact is immaterial when the President makes up his mind and certifies to the Court of Industrial Relations that a labor dispute exists in an industry indispensable to the national interest. When this happens, the Court of Industrial Relations acquires jurisdiction to act, in accordance with Section 10 of the Industrial Peace Act. It has no other alternative and "it cannot throw the case out on the assumption that the certification was erroneous." The power of the President is conferred by law and "the propriety of its exercises being a matter that only devolves on him. The same is not the concern of the industrial court. What matters is that by virtue of the certification made by the President the case was placed under the jurisdiction of the said court." Once a labor dispute is certified by the President, the only thing the Court of Industrial Relations can do is to investigate the case in order to settle the case amicably between the parties and pending this investigation may issue an injunction restraining the employees from striking or the employer from lockouting his employees. If the Court of Industrial Relations fails in this, *and there is no other solution to the dispute in sight,* then and only then will the Court of Industrial Relations intervene in a compulsory manner.

In the case of *Government Service Insurance System Employees Association et als. v. Court of Industrial Relations et al.,* G.R. No. L-18734, December 30, 1961, the first condition mentioned above figured in a different way in view of the fact that the statute does not prescribe the form and manner of the President's certification to the Court of Industrial Relations.

It appears in this case that the Executive Secretary officially referred the labor controversy to the industrial court and signed it under the rubric "By authority of the President." The main contentions of the unions in support of their dislike to this kind of certification are: 1) that this is not valid under Section 10 of Rep. Act No. 875, because the power of the President under said provision cannot be delegated to a cabinet member, and 2) that the certification came two days before the strike and not at the time of the strike or after it.

In brushing aside the first contention, the Supreme Court ruled that the letter of the Executive Secretary is not the certification of the industrial dispute between the parties but attests only to the fact that the President has ordered said dispute to be certified to the Court of Industrial Relations, as required by law. The fact that previous Presidents have made certifications of labor disputes to the Court of Industrial Relations through letters personally signed by them is of no moment, since the statute does not prescribe the form and manner of certification. The important thing is that the President has officially brought to the attention of the Court of Industrial Relations that a labor dispute occurs in an industry indispensable to the national interest.

As to the second contention, the Supreme Court ruled that it is immaterial that there was no strike yet when the certification reached the Court of Industrial Relations. Section 10 of Rep. Act No. 875 does not require the existence of a strike. All that it requires is an industrial dispute. This may take any forms. The record of the case shows that there was such a dispute between the parties. In fact the officials of the Department of Labor even tried to conciliate the disputants but without success.

(b) *Jurisdiction of the Court of Industrial Relations Under the Eight-Hour Labor Law (Com. Act No. 444).*

There are two types of cases coming within this particular jurisdiction of the Court of Industrial Relations: 1) over cases involving hours of work *below* the legal working day which shall not be more than eight hours, *e.g.*, if the work is not continuous, how much time during which a laborer is not working and can leave his working place and rest completely should not be counted in computing his legal working day, in accordance with Section 1 of C.A. No. 444, and 2) over cases involving wages for overtime work, *e.g.*, how much work was performed during a national emergency or done in excess of the legal working day.

In the case of *Pan American World Airways System (Philippines) v. Pan American Employees Association*, G.R. No. L-16275, February 23, 1961, the Supreme Court had occasion to pass on the validity of the decision of the Court of Industrial Relations regarding claims involving hours of work. There it was held that the one-hour meal period should be considered part of the legal working day (minus 15 minutes for time actually spent for eating) and thus overtime work because the workers could not rest completely, and were under the control of the employer, during that period. There is substantial evidence in the record that the workers were requires is an industrial dispute. This may take any form. The if they are not around, that they were often called from their meals or told to eat hurriedly to perform work during this so-called meal hour.

In 1961 a number of cases were decided by the Supreme Court with regards to the second type of cases coming within the jurisdiction of the Court of Industrial Relations under the Eight-Hour Labor Law, namely, *Pan American World Airways System (Philippines) v. Pan American Employees Association*, G.R. No. L-16275, February 23, 1961; *Fookien Times Company et al. v. Court of Industrial Relations et al.*, G.R. No. L-16023, March 27, 1961; *Philippine Wood Products et al. v. Court of Industrial Relations et als.*, G.R. No. L-15279, June 30, 1961; *Miguel de los Santos v. Francisco Quisumbing*, G.R. No. L-15376, June 30, 1961; *Republic Savings Bank v. Court of Industrial Relations et al.*, G.R. No. L-16637, June 30, 1961; *Manila Port Service et al. v. Court of Industrial Relations et al.*, G.R. No. L-16994, June 30, 1961; *Benito Sy Huan v. Jose P. Bautista et als.*, G.R. No. L-16115, August 29, 1961; *Southwestern Sugar & Company, Inc. et als. v. Court of Industrial Relations et als.*, G.R. No. L-16057, September 19, 1961; *San Miguel Brewery, Inc. et al. v. Jesus Betia et al.*, G.R. No. L-16403, October 30, 1961; *Rufino Delantes v. Co Tao & Company*, G.R. No. L-15995, October 31, 1961; *Concordia Cagalwan v. Customs Canteen et als.*, G.R. No. L-16031, October 31, 1961; *Manuel Tiberio v. Manila Pilots Association*, G.R. No. L-17661, December 28, 1961; *National Shipyards and Steel Corporation v. Court of Industrial Relations et al.*, G.R. No. L-17068, December 30, 1961.

In all these cases the Supreme Court ruled that the Court of Industrial Relations has jurisdiction over cases involving wages for overtime work, if, at the time of the petition, the claimants were still in the service of the employer or, having been separated from such employment, should seek reinstatement. Naturally under Section 7-a of Rep. Act No. 1993, the action will not prosper if it

is filed beyond the prescriptive period of 3 years from the accrual of the cause of action even if either of the conditions mentioned above are present. (*Manuel Tiberio v. Manila Pilots Association*, G.R. No. L-17661, December 28, 1961). Absent either of these conditions, the case becomes a mere collection case and should be brought before the proper regular courts.[3]

One very important ruling in this connection should be noted. In cases involving minimum wages under Rep. Act No. 602 and cases involving wages for overtime work under Com. Act No. 444, where there is present an employee-employer relationship or reinstatement is sought after termination of such relationship, the provision of Section 4, Com. Act No. 103, that the employees involved be at least thirty-one in number for the Court of Industrial Relations to acquire jurisdiction, is not required. (*Philippine Wood Products et al. v. Court of Industrial Relations et als.*, G.R. No. L-15279, June 30, 1961). Undoubtedly the reason behind this holding of the Court is that it would be unjust and unfair to deny such employees their living merely because they happen to be thirty or less in number.

II. TENANCY RELATIONS LAW

Very few tenancy relations cases were decided by the Supreme Court in 1961. There are only three cases worth studying.

A. SECURITY OF TENURE.

Section 7 of Rep. Act No. 1199 provides that once a tenancy relation is established the tenant shall be entitled to security of tenure. But there are certain conditions that should be met before

[3] Until June 30, 1961 this type of cases were generally believed to fall within the jurisdiction of the proper regional office of the Labor Standards Commission, which was created under Reorganization Plan No. 20-A of the Government Survey and Reorganization Commission, pursuant to Rep. Act No. 997 as amended by Rep. Act No. 1241. But in a series of 1961 cases decided by the Supreme Court it was held that the grant to regional offices of the Labor Standards Commission of original and exclusive jurisdiction over this type of cases is not authorized by Rep. Act No. 997, as amended, because Congress cannot validly delegate to the Government Survey and Reorganization Commission the power to divest ordinary courts of their jurisdiction conferred on them by law. These 1961 cases are the following: Jose Corominas, Jr. et al v. Labor Standards Commission et als., G.R. No. L-14837, June 30; Manila Central University v. Jose Calupitan et al., G.R. No. L-15483, June 30; Wong Chun v. Diego Carlim et als., G.R. No. L-13940, June 30; Balrodgan Co., Ltd. et al. v. F. A. Fuentes et al., G.R. No. L-15015, June 30; Equitable Banking Corporation et al. v. Regional Office No. 3 et al., G.R. No. L-14442, June 30; Bernardo Sebastian v. Juan W. Gerardo et al., G.R. No. L-15849, June 30; Cu Bu Liong v. Juliano E. Estella, et al., G.R. No. L-14212, July 31; Eulogio Berja v. Edwin Fernandez, G.R. No. L-14757, July 31; Pampanga Sugar Development Company, Inc. v. F. A. Fuentes et als., G.R. No. L-14738, July 31; Earnshaw Docks & Honolulu Iron Works v. Atanacio A. Mardo et als., G.R. No. L-14759, July 31; Bill Miller v. Atanacio A. Mardo et al., G.R. No. L-15138, July 31; Chin Hua Trading Company et al. v. Atanacio A. Mardo, G.R. No. L-16781, July 31; Numeriana Raganas v. Sen Bee Trading Company et als., G.R. No. L-15377, July 31; Vicente Romero v. Angel Hernando et als., G.R. No. L-16660, July 31; Marcelo Liwanag v. Central Azucarera Don Pedro, G.R. No. L-15371, July 31; Felix Lectura v. Regional Office No. 3 et als., G.R. No. L-15582, July 31; Benjamin Leung v. F. A. Fuentes et als., G.R. No. L-16061, July 31; Regina Incorporated et al. v. Jose Arnado et als., G.R. No. L-16685, July 31; Lucia Pitogo v. Sen Bee Trading Company et als., G.R. No. L-15693, July 31; Philippine Tobacco Flue-Curing & Redrying Corporation v. Manuel Sabugo et als., G.R. No. L-16017, August 31; Century Insurance Company, Inc. v. F. A. Fuentes et als., G.R. No. L-16039, August 31.

there can be security of tenure: 1) that the land involved is devoted to agriculture, and 2) that the physical possession thereof is given to the tenant by the true and lawful landholder who is either the owner, lessee, usufructuary, or legal possessor of the land. In short, there should be a valid tenancy relation between the landholder and his tenant.

In the case of *Silvino Lastimoza et al. v. Ramon Blanco et al.*, G.R. No. L-14697, January 28, 1961, the alleged landholder was ousted by writ of possession issued by a competent court and was virtually declared an intruder. Thus, his tenant can have no better right and cannot claim security of tenure from the real and true owner of the land in question. The Supreme Court held that the guarantee of security of land tenure is afforded only to tenants *de jure*, otherwise the way for fraudulent collusion will be opened. If there is no valid tenancy relation the Court of Agrarian Relations does not acquire jurisdiction over the case.

The case of *Quirino Dumlao et als. v. Pastor L. de Guzman et als.*, G.R. No. L-12816, January 28, 1961 is similar to the Lastimoza case, *supra*. The tenants were placed in possession of their respective landholdings by one who by order of a competent court was an intruder on the land. The tenants cannot therefore claim security of tenure from the true and lawful landholder. They are not tenants *de jure* and the Supreme Court reiterated its ruling in the Lastimoza case, *supra*.

B. CHANGE OF CROP-SHARING ARRANGEMENT.

Section 14 of Rep. Act No. 1199 provides the procedure to be followed by a tenant who desires to change his crop-sharing arrangement with the landholder in case of share tenancy. It is provided that if the share tenancy contract is in writing and is duly registered, the right may be exercised at the expiration of the period of the contract otherwise it may be exercised at the end of the agricultural year.

In the case of *Alberto de Santos et als. v. Jose N. Santos et als.*, G.R. No. L-15424, July 28, 1961, the tenants wanted to change their crop-sharing arrangement with the landholders from the 45-55 per cent ratio to the 70-30 sharing basis. The share tenancy contracts providing for a crop-sharing arrangement at 45-55 per cent were in writing and duly registered in the registry of tenancy contracts in the office of the municipal treasurer. The contracts of tenancy were effective during the agricultural year 1957-1958. According to Section 5 (c) of Rep. Act No. 1199, the term "agricultural year"

means the period of time necessary for the raising of seasonal agricultural products clear to the harvesting or reaping of the crop. The Supreme Court found that the tenants exercised their option after the agricultural year 1958-1959 had already begun and ruled that it was not timely exercised.