



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

ALLAN M. MENDOZA,
Petitioner,

G.R. No. 201595

- versus -

OFFICERS OF MANILA WATER
EMPLOYEES UNION (MWEU),
namely, EDUARDO B. BORELA,
BUENAVENTURA QUEBRAL,
ELIZABETH COMETA,
ALEJANDRO TORRES,
AMORSOLO TIERRA,
SOLEDAD YEBAN,
LUIS RENDON,
VIRGINIA APILADO,
TERESITA BOLO,
ROGELIO BARBERO,
JOSE CASAÑAS,
ALFREDO MAGA,
EMILIO FERNANDEZ,
ROSITA BUENAVENTURA,
ALMENIO CANCINO,
ADELA IMANA,
MARIO MANCENIDO,
WILFREDO MANDILAG,
ROLANDO MANLAPAZ,
EFREN MONTEMAYOR,
NELSON PAGULAYAN,
CARLOS VILLA,
RIC BRIONES, and
CHITO BERNARDO,

Respondents.

Present:

CARPIO, *Chairperson,*
BRION,
DEL CASTILLO,
MENDOZA, *and*
LEONEN, *JJ.*

Promulgated:

25 JAN 2016

X-----X

DECISION

DEL CASTILLO, J.:

This Petition for Review on *Certiorari*¹ assails the April 24, 2012 Decision² of the Court of Appeals (CA) which dismissed the Petition for *Certiorari*³ in CA-G.R. SP No. 115639.

Factual Antecedents

Petitioner was a member of the Manila Water Employees Union (MWEU), a Department of Labor and Employment (DOLE)-registered labor organization consisting of rank-and-file employees within Manila Water Company (MWC). The respondents herein named – Eduardo B. Borela (Borela), Buenaventura Quebral (Quebral), Elizabeth Cometa (Cometa), Alejandro Torres (Torres), Amorsolo Tierra (Tierra), Soledad Yeban (Yeban), Luis Rendon (Rendon), Virginia Apilado (Apilado), Teresita Bolo (Bolo), Rogelio Barbero (Barbero), Jose Casañas (Casañas), Alfredo Maga (Maga), Emilio Fernandez (Fernandez), Rosita Buenaventura (Buenaventura), Almenio Cancino (Cancino), Adela Imana, Mario Mancenido (Mancenido), Wilfredo Mandilag (Mandilag), Rolando Manlapaz (Manlapaz), Efren Montemayor (Montemayor), Nelson Pagulayan, Carlos Villa, Ric Briones, and Chito Bernardo – were MWEU officers during the period material to this Petition, with Borela as President and Chairman of the MWEU Executive Board, Quebral as First Vice-President and Treasurer, and Cometa as Secretary.⁴

In an April 11, 2007 letter,⁵ MWEU through Cometa informed petitioner that the union was unable to fully deduct the increased ₱200.00 union dues from his salary due to lack of the required December 2006 check-off authorization from him. Petitioner was warned that his failure to pay the union dues would result in sanctions upon him. Quebral informed Borela, through a May 2, 2007 letter,⁶ that for such failure to pay the union dues, petitioner and several others violated Section 1(g), Article IX of the MWEU's Constitution and By-Laws.⁷ In turn, Borela referred the charge to the MWEU grievance committee for investigation.

¹ *Rollo*, pp. 7-42.

² *Id.* at 43-54; penned by Associate Justice Mario V. Lopez and concurred in by Associate Justices Fernanda Lampas Peralta and Socorro B. Inting.

³ *Id.* at 346-369.

⁴ *Id.* at 9, 44.

⁵ *Id.* at 55.

⁶ *Id.* at 56-57.

⁷ *Id.* at 139-176, which provide, as follows:

ARTICLE IX
DISCIPLINARY GROUNDS/OFFENSES

Section 1. The following grounds for disciplinary action, suspension or expulsion of members as acts or deeds inimical to the interests and welfare of the Union and/or its officers and members. Any officer or member may be penalized for committing any following offenses by fines, suspension, or expulsion:

x x x x

g. Non-payment of dues and other monetary obligation due the Union for a reasonable period of time:

1st Offense - Letter reprimand

2nd Offense - Suspension of right benefit privileges for 30 days

3rd Offense - Expulsion from Union membership and recommendation for termination of employment

On May 21, 2007, a notice of hearing was sent to petitioner, who attended the scheduled hearing. On June 6, 2007, the MWEU grievance committee recommended that petitioner be suspended for 30 days.

In a June 20, 2007 letter,⁸ Borela informed petitioner and his co-respondents of the MWEU Executive Board's "unanimous approval"⁹ of the grievance committee's recommendation and imposition upon them of a penalty of 30 days suspension, effective June 25, 2007.

In a June 26, 2007 letter¹⁰ to Borela, petitioner and his co-respondents took exception to the imposition and indicated their intention to appeal the same to the General Membership Assembly in accordance with Section 2(g), Article V of the union's Constitution and By-Laws,¹¹ which grants them the right to appeal any arbitrary resolution, policy and rule promulgated by the Executive Board to the General Membership Assembly. In a June 28, 2007 reply,¹² Borela denied petitioner's appeal, stating that the prescribed period for appeal had expired.

Petitioner and his co-respondents sent another letter¹³ on July 4, 2007, reiterating their arguments and demanding that the General Membership Assembly be convened in order that their appeal could be taken up. The letter was not acted upon.

Petitioner was once more charged with non-payment of union dues, and was required to attend an August 3, 2007 hearing.¹⁴ Thereafter, petitioner was again penalized with a 30-day suspension through an August 21, 2007 letter¹⁵ by Borela informing petitioner of the Executive Board's "unanimous approval"¹⁶ of the grievance committee recommendation to suspend him effective August 24,

⁸ *Rollo*, p. 61.

⁹ *Id.* at 188-189; Board Resolution No. 1, series of 2007, approved by respondents Borela, Cancino, Maga, Montemayor, Fernandez, Torres, Mancenido, Bolo, Quebral, Casañas, Pagulayan, Tierra, Cometa, Rendon, and two (2) others who are not respondents herein.

¹⁰ *Id.* at 62.

¹¹ Stating that:

ARTICLE V
DUTIES, RESPONSIBILITIES, RIGHTS, PRIVILEGES
AND OBLIGATIONS OF UNION MEMBERSHIP

x x x x

Section 2. Rights and Privileges. All Union members in good standing shall have the following rights and privileges:

x x x x

g. To appeal to the General Membership Assembly any arbitrary resolution, policy and rule that may be promulgated by the Executive Board;

¹² *Rollo*, p. 63.

¹³ *Id.* at 64.

¹⁴ *Id.* at 66.

¹⁵ *Id.* at 68.

¹⁶ *Id.* at 202-203; Board Resolution No. 4, series of 2007, approved by respondents Borela, Tierra, Bolo, Casañas, Fernandez, Rendon, Montemayor, Torres, Quebral, Pagulayan, Cancino, Maga, Cometa, Mancenido, and two (2) others who are not respondents herein.

2007, to which he submitted a written reply,¹⁷ invoking his right to appeal through the convening of the General Membership Assembly. However, the respondents did not act on petitioner's plea.

Meanwhile, MWEU scheduled an election of officers on September 14, 2007. Petitioner filed his certificate of candidacy for Vice-President, but he was disqualified for not being a member in good standing on account of his suspension.

On October 2, 2007, petitioner was charged with non-payment of union dues for the third time. He did not attend the scheduled hearing. This time, he was meted the penalty of expulsion from the union, per "unanimous approval"¹⁸ of the members of the Executive Board. His pleas for an appeal to the General Membership Assembly were once more unheeded.¹⁹

In 2008, during the freedom period and negotiations for a new collective bargaining agreement (CBA) with MWC, petitioner joined another union, the Workers Association for Transparency, Empowerment and Reform, All-Filipino Workers Confederation (WATER-AFWC). He was elected union President. Other MWEU members were inclined to join WATER-AFWC, but MWEU director Torres threatened that they would not get benefits from the new CBA.²⁰

The MWEU leadership submitted a proposed CBA which contained provisions to the effect that in the event of retrenchment, non-MWEU members shall be removed first, and that upon the signing of the CBA, only MWEU members shall receive a signing bonus.²¹

Ruling of the Labor Arbiter

On October 13, 2008, petitioner filed a Complaint²² against respondents for unfair labor practices, damages, and attorney's fees before the National Labor Relations Commission (NLRC), Quezon City, docketed as NLRC Case No. NCR-10-14255-08. In his Position Paper and other written submissions,²³ petitioner accused the respondents of illegal termination from MWEU in connection with the events relative to his non-payment of union dues; unlawful interference, coercion, and violation of the rights of MWC employees to self-

¹⁷ Id. at 69.

¹⁸ Id. at 226-227; Board Resolution No. 7, series of 2007, approved by respondents Borela, Quebral, Tierra, Imana, Rendon, Yeban, Cancino, Torres, Montemayor, Mancenido, Mandilag, Fernandez, Buenaventura, Apilado, Maga, Barbero, Cometa, Bolo, and Manlapaz.

¹⁹ Id. at 74-80, 226-227.

²⁰ Id. at 46.

²¹ Id. at 47.

²² Id. at 87-88.

²³ Id. at 89-96, 97-108, 231-238, 254-262.

organization – in connection with the proposed CBA submitted by MWEU leadership, which petitioner claims contained provisions that discriminated against non-MWEU members. Petitioner prayed in his Supplemental Position Paper that respondents be held guilty of unfair labor practices and ordered to indemnify him moral damages in the amount of ₱100,000.00, exemplary damages amounting to ₱50,000.00, and 10% attorney's fees.

In their joint Position Paper and other pleadings,²⁴ respondents claimed that the Labor Arbiter had no jurisdiction over the dispute, which is intra-union in nature; that the Bureau of Labor Relations (BLR) was the proper venue, in accordance with Article 226 of the Labor Code²⁵ and Section 1, Rule XI of Department Order 40-03, series of 2003, of the DOLE;²⁶ and that they were not guilty of unfair labor practices, discrimination, coercion or restraint.

On May 29, 2009, Labor Arbiter Virginia T. Luyas-Azarraga issued her Decision²⁷ which decreed as follows:

²⁴ Id. at 109-137, 239-251, 272-277.

²⁵ ART. 226. Bureau of Labor Relations. - The Bureau of Labor Relations and the Labor Relations Divisions in the regional offices of the Department of Labor, shall have original and exclusive authority to act, at their own initiative or upon request of either or both parties, on all inter-union and intra-union conflicts, and all disputes, grievances or problems arising from or affecting labor-management relations in all workplaces, whether agricultural or non-agricultural, except those arising from the implementation or interpretation of collective bargaining agreements which shall be the subject of grievance procedure and/or voluntary arbitration.

The Bureau shall have fifteen (15) working days to act on labor cases before it, subject to extension by agreement of the parties. (Art. 226 and other specific provisions of the Labor Code have since been renumbered as a result of the passage of Republic Act No. 10151 [2011]).

²⁶ RULE XI – INTER/INTRA-UNION DISPUTES AND OTHER RELATED LABOR RELATIONS DISPUTES

SECTION 1. Coverage. - Inter/intra-union disputes shall include:

(a) cancellation of registration of a labor organization filed by its members or by another labor organization;

(b) conduct of election of union and workers association officers/nullification of election of union and workers association officers;

(c) audit/accounts examination of union or workers association funds;

(d) deregistration of collective bargaining agreements;

(e) validity/invalidity of union affiliation or disaffiliation;

(f) validity/invalidity of acceptance/non-acceptance for union membership;

(g) validity/invalidity of impeachment/expulsion of union and workers association officers and members;

(h) validity/invalidity of voluntary recognition;

(i) opposition to application for union and CBA registration;

(j) violations of or disagreements over any provision in a union or workers association constitution and by-laws;

(k) disagreements over chartering or registration of labor organizations and collective bargaining agreements;

(l) violations of the rights and conditions of union or workers association membership;

(m) violations of the rights of legitimate labor organizations, except interpretation of collective bargaining agreements;

(n) such other disputes or conflicts involving the rights to self-organization, union membership and collective bargaining

(1) between and among legitimate labor organizations;

(2) between and among members of a union or workers association.

²⁷ *Rollo*, pp. 279-281.

Indeed the filing of the instant case is still premature. Section 5, Article X-Investigation Procedures and Appeal Process of the Union Constitution and By-Laws provides that:

Section 5. Any dismissed and/or expelled member shall have the rights to appeal to the Executive Board within seven (7) days from the date of notice of the said dismissal and/or expulsion, which in [turn] shall be referred to the General Membership Assembly. In case of an appeal, a simple majority of the decision of the Executive Board is imperative. The same shall be approved/disapproved by a majority vote of the general membership assembly in a meeting duly called for the purpose.

On the basis of the foregoing, the parties shall exhaust first all the administrative remedies before resorting to compulsory arbitration. Thus, instant case is referred back to the Union for the General Assembly to act or deliberate complainant's appeal on the decision of the Executive Board.

WHEREFORE PREMISES CONSIDERED, instant case is referred back to the Union level for the General Assembly to act on complainant's appeal.

SO ORDERED.²⁸

Ruling of the National Labor Relations Commission

Petitioner appealed before the NLRC, where the case was docketed as NLRC LAC No. 07-001913-09. On March 15, 2010, the NLRC issued its Decision,²⁹ declaring as follows:

Complainant³⁰ imputes serious error to the Labor Arbiter when she decided as follows:

- a. Referring back the subject case to the Union level for the General Assembly to act on his appeal.
- b. Not ruling that respondents are guilty of ULP as charged.
- c. Not granting to complainant moral and exemplary damages and attorney's fees.

Complainant, in support of his charges, claims that respondents restrained or coerced him in the exercise of his right as a union member in violation of paragraph "a", Article 249 of the Labor Code,³¹ particularly, in

²⁸ Id. at 280-281.

²⁹ Id. at 322-326; penned by Commissioner Isabel G. Panganiban-Ortiguerra and concurred in by Presiding Commissioner Benedicto R. Palacol and Commissioner Nieves Vivar-de Castro.

³⁰ Herein petitioner.

³¹ ART. 249. Unfair labor practices of labor organizations. - It shall be unfair labor practice for a labor organization, its officers, agents or representatives:

denying him the explanation as to whether there was observance of the proper procedure in the increase of the membership dues from ₱100.00 to ₱200.00 per month. Further, complainant avers that he was denied the right to appeal his suspension and expulsion in accordance with the provisions of the Union's Constitution and By-Laws. In addition, complainant claims that respondents attempted to cause the management to discriminate against the members of WATER-AFWC thru the proposed CBA.

Pertinent to the issue then on hand, the Labor Arbiter ordered that the case be referred back to the Union level for the General Assembly to act on complainant's appeal. Hence, these appeals.

After a careful look at all the documents submitted and a meticulous review of the facts, We find that this Commission lacks the jurisdictional competence to act on this case.

Article 217 of the Labor Code,³² as amended, specifically enumerates the cases over which the Labor Arbiters and the Commission have original and exclusive jurisdiction. A perusal of the record reveals that the causes of action invoked by complainant do not fall under any of the enumerations therein. Clearly, We have no jurisdiction over the same.

Moreover, pursuant to Section 1, Rule XI, as amended, DOLE Department Order No. 40-03 in particular, Item A, paragraphs (h) and (j) and Item B, paragraph (a)(3), respectively, provide:

"A. Inter-Intra-Union disputes shall include:

"(h) violation of or disagreements over any provision of the Constitution and By-Laws of a Union or workers' association.

(a) To restrain or coerce employees in the exercise of their right to self-organization. However, a labor organization shall have the right to prescribe its own rules with respect to the acquisition or retention of membership;

(b) x x x x

³² ART. 217. Jurisdiction of the Labor Arbiters and the Commission. - (a) Except as otherwise provided under this Code, the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide, within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, the following cases involving all workers, whether agricultural or non-agricultural:

1. Unfair labor practice cases;
 2. Termination disputes;
 3. If accompanied with a claim for reinstatement, those cases that workers may file involving wages, rates of pay, hours of work and other terms and conditions of employment;
 4. Claims for actual, moral, exemplary and other forms of damages arising from the employer-employee relations;
 5. Cases arising from any violation of Article 264 of this Code, including questions involving the legality of strikes and lockouts; and
 6. Except claims for Employees Compensation, Social Security, Medicare and maternity benefits, all other claims arising from employer-employee relations, including those of persons in domestic or household service, involving an amount exceeding five thousand pesos (₱5,000.00) regardless of whether accompanied with a claim for reinstatement.
- (b) The Commission shall have exclusive appellate jurisdiction over all cases decided by Labor Arbiters.
- (c) Cases arising from the interpretation or implementation of collective bargaining agreements and those arising from the interpretation or enforcement of company personnel policies shall be disposed of by the Labor Arbiter by referring the same to the grievance machinery and voluntary arbitration as may be provided in said agreements.

“(j) violation of the rights and conditions of membership in a Union or workers’ association.

“B. Other Labor Relations disputes, not otherwise covered by Article 217 of the Labor Code, shall include –

“3. a labor union and an individual who is not a member of said union.”

Clearly, the above-mentioned disputes and conflict fall under the jurisdiction of the Bureau of Labor Relations, as these are inter/intra-union disputes.

WHEREFORE, the decision of the Labor Arbiter a quo dated May 29, 2009 is hereby declared NULL and VOID for being rendered without jurisdiction and the instant complaint is DISMISSED.

SO ORDERED.³³

Petitioner moved for reconsideration,³⁴ but in a June 16, 2010 Resolution,³⁵ the motion was denied and the NLRC sustained its Decision.

Ruling of the Court of Appeals

In a Petition for *Certiorari*³⁶ filed with the CA and docketed as CA-G.R. SP No. 115639, petitioner sought to reverse the NLRC Decision and be awarded his claim for damages and attorney’s fees on account of respondents’ unfair labor practices, arguing among others that his charge of unfair labor practices is cognizable by the Labor Arbiter; that the fact that the dispute is inter- or intra-union in nature cannot erase the fact that respondents were guilty of unfair labor practices in interfering and restraining him in the exercise of his right to self-organization as member of both MWEU and WATER-AFWC, and in discriminating against him and other members through the provisions of the proposed 2008 CBA which they drafted; that his failure to pay the increased union dues was proper since the approval of said increase was arrived at without observing the prescribed voting procedure laid down in the Labor Code; that he is entitled to an award of damages and attorney’s fees as a result of respondents’ illegal acts in discriminating against him; and that in ruling the way it did, the NLRC committed grave abuse of discretion.

On April 24, 2012, the CA issued the assailed Decision containing the following pronouncement:

³³ *Rollo*, pp. 323-325.

³⁴ *Id.* at 327-337.

³⁵ *Id.* at 343-345.

³⁶ *Id.* at 346-369.

The petition lacks merit.

Petitioner's causes of action against MWEU are inter/intra-union disputes cognizable by the BLR whose functions and jurisdiction are largely confined to union matters, collective bargaining registry, and labor education. Section 1, Rule XI of Department Order (D.O.) No. 40-03, Series of 2003, of the Department of Labor and Employment enumerates instances of inter/intra-union disputes, *viz*:

Section 1. Coverage. – Inter/intra-union disputes shall include:

x x x x

(b) conduct of election of union and workers' association officers/nullification of election of union and workers' association officers;

(c) audit/accounts examination of union or workers' association funds;

x x x x

(g) validity/invalidity of impeachment/ expulsion of union and workers' association officers and members;

x x x x

(j) violations of or disagreements over any provision in a union or workers' association constitution and by-laws;

x x x x

(l) violations of the rights and conditions of union or workers' association membership;

x x x x

(n) such other disputes or conflicts involving the rights to self-organization, union membership and collective bargaining –

(1) between and among legitimate labor organizations;

(2) between and among members of a union or workers' association.

In brief, "Inter-Union Dispute" refers to any conflict between and among legitimate labor unions involving representation questions for purposes of collective bargaining or to any other conflict or dispute between legitimate labor unions. "Intra-Union Dispute" refers to any conflict between and among union members, including grievances arising from any violation of the rights and conditions of membership, violation of or disagreement over any provision of the

union's constitution and by-laws, or disputes arising from chartering or affiliation of union. On the other hand, the circumstances of unfair labor practices (ULP) of a labor organization are stated in Article 249 of the Labor Code, to wit:

Article 249. Unfair labor practices of labor organizations. It shall be unlawful for labor organization, its officers, agents, or representatives to commit any of the following unfair labor practices:

- (a) To restrain or coerce employees in the exercise of their right to self-organization; Provided, That the labor organization shall have the right to prescribe its own rules with respect to the acquisition or retention of membership;
- (b) To cause or attempt to cause an employer to discriminate against an employee, including discrimination against an employee with respect to whom membership in such organization has been denied or terminated on any ground other than the usual terms and conditions under which membership or continuation of membership is made available to other members;

X X X X

Applying the aforementioned rules, We find that the issues arising from petitioner's right to information on the increased membership dues, right to appeal his suspension and expulsion according to CBL provisions, and right to vote and be voted on are essentially intra-union disputes; these involve violations of rights and conditions of union membership. But his claim that a director of MWEU warned that non-MWEU members would not receive CBA benefits is an inter-union dispute. It is more of an "interference" by a rival union to ensure the loyalty of its members and to persuade non-members to join their union. This is not an actionable wrong because interfering in the exercise of the right to organize is itself a function of self-organizing.³⁷ As long as it does not amount to restraint or coercion, a labor organization may interfere in the employees' right to self-organization.³⁸ Consequently, a determination of validity or illegality of the alleged acts necessarily touches on union matters, not ULPs, and are outside the scope of the labor arbiter's jurisdiction.

As regards petitioner's other accusations, *i.e.*, discrimination in terms of meting out the penalty of expulsion against him alone, and attempt to cause the employer, MWC, to discriminate against non-MWEU members in terms of retrenchment or reduction of personnel, and signing bonus, while We may consider them as falling within the concept of ULP under Article 249(a) and (b), still, petitioner's complaint cannot prosper for lack of substantial evidence. Other than his bare allegation, petitioner offered no proof that MWEU did not penalize some union members who failed to pay the increased dues. On the proposed discriminatory CBA provisions, petitioner merely attached the pages containing the questioned provisions without bothering to reveal the MWEU representatives responsible for the said proposal. Article 249 mandates that "x x x only the

³⁷ Citing *Azucena, Jr., Cesario A., The Labor Code with Comments and Cases*, Vol. II, 2004 5th Edition, p. 256.

³⁸ *Id.*

officers, members of the governing boards, representatives or agents or members of labor associations or organizations *who have actually participated in, authorized or ratified unfair labor practices shall be held criminally liable.*” Plain accusations against all MWEU officers, without specifying their actual participation, do not suffice. Thus, the ULP charges must necessarily fail.

In administrative and quasi-judicial proceedings, only substantial evidence is necessary to establish the case for or against a party. Substantial evidence is that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion. Petitioner failed to discharge the burden of proving, by substantial evidence, the allegations of ULP in his complaint. The NLRC, therefore, properly dismissed the case.

FOR THESE REASONS, the petition is DISMISSED.

SO ORDERED.³⁹

Thus, the instant Petition.

Issue

In an August 28, 2013 Resolution,⁴⁰ this Court resolved to give due course to the Petition, which claims that the CA erred:

- A. IN DECLARING THAT THE PRESENCE OF INTER/INTRA-UNION CONFLICTS NEGATES THE COMPLAINT FOR UNFAIR LABOR PRACTICES AGAINST A LABOR ORGANIZATION AND ITS OFFICERS, AND IN AFFIRMING THAT THE NLRC PROPERLY DISMISSED THE CASE FOR ALLEGED LACK OF JURISDICTION.
- B. IN NOT RULING THAT RESPONDENTS ARE GUILTY OF UNFAIR LABOR PRACTICES UNDER ARTICLE 249(a) AND (b) OF THE LABOR CODE.
- C. IN DECLARING THAT THE THREATS MADE BY A UNION OFFICER AGAINST MEMBERS OF A RIVAL UNION IS (sic) MERELY AN “INTERFERENCE” AND DO NOT AMOUNT TO “RESTRAINT” OR “COERCION”.
- D. IN DECLARING THAT PETITIONER FAILED TO PRESENT SUBSTANTIAL EVIDENCE IN PROVING RESPONDENTS’ SPECIFIC ACTS OF UNFAIR LABOR PRACTICES.
- E. IN NOT RULING THAT RESPONDENTS ARE SOLIDARILY LIABLE TO PETITIONER FOR MORAL AND EXEMPLARY DAMAGES, AND ATTORNEY’S FEES.⁴¹

³⁹ *Rollo*, pp. 50-54.

⁴⁰ *Id.* at 449-450.

⁴¹ *Id.* at 19.

Petitioner's Arguments

Praying that the assailed CA dispositions be set aside and that respondents be declared guilty of unfair labor practices under Article 249(a) and (b) and adjudged liable for damages and attorney's fees as prayed for in his complaint, petitioner maintains in his Petition and Reply⁴² that respondents are guilty of unfair labor practices which he clearly enumerated and laid out in his pleadings below; that these unfair labor practices committed by respondents fall within the jurisdiction of the Labor Arbiter; that the Labor Arbiter, the NLRC, and the CA failed to rule on his accusation of unfair labor practices and simply dismissed his complaint on the ground that his causes of action are intra- or inter-union in nature; that admittedly, some of his causes of action involved intra- or inter-union disputes, but other acts of respondents constitute unfair labor practices; that he presented substantial evidence to prove that respondents are guilty of unfair labor practices by failing to observe the proper procedure in the imposition of the increased monthly union dues, and in unduly imposing the penalties of suspension and expulsion against him; that under the union's constitution and by-laws, he is given the right to appeal his suspension and expulsion to the general membership assembly; that in denying him his rights as a union member and expelling him, respondents are guilty of malice and evident bad faith; that respondents are equally guilty for violating and curtailing his rights to vote and be voted to a position within the union, and for discriminating against non-MWEU members; and that the totality of respondents' conduct shows that they are guilty of unfair labor practices.

Respondent's Arguments

In their joint Comment,⁴³ respondents maintain that petitioner raises issues of fact which are beyond the purview of a petition for review on *certiorari*; that the findings of fact of the CA are final and conclusive; that the Labor Arbiter, NLRC, and CA are one in declaring that there is no unfair labor practices committed against petitioner; that petitioner's other allegations fall within the jurisdiction of the BLR, as they refer to intra- or inter-union disputes between the parties; that the issues arising from petitioner's right to information on the increased dues, right to appeal his suspension and expulsion, and right to vote and be voted upon are essentially intra-union in nature; that his allegations regarding supposed coercion and restraint relative to benefits in the proposed CBA do not constitute an actionable wrong; that all of the acts questioned by petitioner are covered by Section 1, Rule XI of Department Order 40-03, series of 2003 as intra-/inter-union disputes which do not fall within the jurisdiction of the Labor Arbiter; that in not paying his union dues, petitioner is guilty of insubordination and deserved the penalty of expulsion; that petitioner failed to petition to convene the

⁴² Id. at 440-447.

⁴³ Id. at 403-435.

general assembly through the required signature of 30% of the union membership in good standing pursuant to Article VI, Section 2(a) of MWEU's Constitution and By-Laws or by a petition of the majority of the general membership in good standing under Article VI, Section 3; and that for his failure to resort to said remedies, petitioner can no longer question his suspension or expulsion and avail of his right to appeal.

Our Ruling

The Court partly grants the Petition.

In labor cases, issues of fact are for the labor tribunals and the CA to resolve, as this Court is not a trier of facts. However, when the conclusion arrived at by them is erroneous in certain respects, and would result in injustice as to the parties, this Court must intervene to correct the error. While the Labor Arbiter, NLRC, and CA are one in their conclusion in this case, they erred in failing to resolve petitioner's charge of unfair labor practices against respondents.

It is true that some of petitioner's causes of action constitute intra-union cases cognizable by the BLR under Article 226 of the Labor Code.

An intra-union dispute refers to any conflict between and among union members, including grievances arising from any violation of the rights and conditions of membership, violation of or disagreement over any provision of the union's constitution and by-laws, or disputes arising from chartering or disaffiliation of the union. Sections 1 and 2, Rule XI of Department Order No. 40-03, Series of 2003 of the DOLE enumerate the following circumstances as inter/intra-union disputes x x x.⁴⁴

However, petitioner's charge of unfair labor practices falls within the *original* and *exclusive* jurisdiction of the Labor Arbiters, pursuant to Article 217 of the Labor Code. In addition, Article 247 of the same Code provides that "the civil aspects of all cases involving unfair labor practices, which may include claims for actual, moral, exemplary and other forms of damages, attorney's fees and other affirmative relief, shall be under the jurisdiction of the Labor Arbiters."

Unfair labor practices may be committed both by the employer under Article 248 and by labor organizations under Article 249 of the Labor Code,⁴⁵ which provides as follows:

⁴⁴ *Employees Union of Bayer Phils. v. Bayer Philippines, Inc.*, 651 Phil. 190, 203 (2010), citing C.A. Azucena, Jr., Vol. II, *THE LABOR CODE WITH COMMENTS AND CASES*, 2004 ed., p. 111.

⁴⁵ As earlier stated, provisions of the Labor Code, from Article 156 onward, have since been renumbered as a result of the passage of Republic Act No. 10151.

ART. 249. Unfair labor practices of labor organizations. - It shall be unfair labor practice for a labor organization, its officers, agents or representatives:

(a) To restrain or coerce employees in the exercise of their right to self-organization. However, a labor organization shall have the right to prescribe its own rules with respect to the acquisition or retention of membership;

(b) To cause or attempt to cause an employer to discriminate against an employee, including discrimination against an employee with respect to whom membership in such organization has been denied or to terminate an employee on any ground other than the usual terms and conditions under which membership or continuation of membership is made available to other members;

(c) To violate the duty, or refuse to bargain collectively with the employer, provided it is the representative of the employees;

(d) To cause or attempt to cause an employer to pay or deliver or agree to pay or deliver any money or other things of value, in the nature of an exaction, for services which are not performed or not to be performed, including the demand for fee for union negotiations;

(e) To ask for or accept negotiation or attorney's fees from employers as part of the settlement of any issue in collective bargaining or any other dispute; or

(f) To violate a collective bargaining agreement.

The provisions of the preceding paragraph notwithstanding, only the officers, members of governing boards, representatives or agents or members of labor associations or organizations who have actually participated in, authorized or ratified unfair labor practices shall be held criminally liable. (As amended by Batas Pambansa Bilang 130, August 21, 1981).

Petitioner contends that respondents committed acts constituting unfair labor practices – which charge was particularly laid out in his pleadings, but that the Labor Arbiter, the NLRC, and the CA ignored it and simply dismissed his complaint on the ground that his causes of action were intra- or inter-union in nature. Specifically, petitioner claims that he was suspended and expelled from MWEU illegally as a result of the denial of his right to appeal his case to the general membership assembly in accordance with the union's constitution and by-laws. On the other hand, respondents counter that such charge is intra-union in nature, and that petitioner lost his right to appeal when he failed to petition to convene the general assembly through the required signature of 30% of the union membership in good standing pursuant to Article VI, Section 2(a) of MWEU's Constitution and By-Laws or by a petition of the majority of the general membership in good standing under Article VI, Section 3.

Under Article VI, Section 2(a) of MWEU's Constitution and By-Laws, the general membership assembly has the power to "review revise modify affirm or

repeal [sic] resolution and decision of the Executive Board and/or committees upon petition of thirty percent (30%) of the Union in good standing,”⁴⁶ and under Section 2(d), to “revise, modify, affirm or reverse all expulsion cases.”⁴⁷ Under Section 3 of the same Article, “[t]he decision of the Executive Board may be appealed to the General Membership which by a simple majority vote reverse the decision of said body. If the general Assembly is not in session the decision of the Executive Board may be reversed by a petition of the majority of the general membership in good standing.”⁴⁸ And, in Article X, Section 5, “[a]ny dismissed and/or expelled member shall have the right to appeal to the Executive Board within seven days from notice of said dismissal and/or expulsion which, in [turn] shall be referred to the General membership assembly. In case of an appeal, a simple majority of the decision of the Executive Board is imperative. The same shall be approved/disapproved by a majority vote of the general membership assembly in a meeting duly called for the purpose.”⁴⁹

In regard to suspension of a union member, MWEU’s Constitution and By-Laws provides under Article X, Section 4 thereof that “[a]ny suspended member shall have the right to appeal within three (3) working days from the date of notice of said suspension. In case of an appeal a simple majority of vote of the Executive Board shall be necessary to nullify the suspension.”

Thus, when an MWEU member is suspended, he is given the right to appeal such suspension within three working days from the date of notice of said suspension, which appeal the MWEU Executive Board is obligated to act upon by a simple majority vote. When the penalty imposed is expulsion, the expelled member is given seven days from notice of said dismissal and/or expulsion to appeal to the Executive Board, which is required to act by a simple majority vote of its members. The Board’s decision shall then be approved/ disapproved by a majority vote of the general membership assembly in a meeting duly called for the purpose.

The documentary evidence is clear that when petitioner received Borela’s August 21, 2007 letter informing him of the Executive Board’s unanimous approval of the grievance committee recommendation to suspend him for the second time effective August 24, 2007, he immediately and timely filed a written appeal. However, the Executive Board – then consisting of respondents Borela, Tierra, Bolo, Casañas, Fernandez, Rendon, Montemayor, Torres, Quebral, Pagulayan, Cancino, Maga, Cometa, Mancenido, and two others who are not respondents herein – did not act thereon. Then again, when petitioner was charged for the third time and meted the penalty of expulsion from MWEU by the unanimous vote of the Executive Board, his timely appeal was again not acted

⁴⁶ *Rollo*, p. 144.

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ *Id.* at 158.

upon by said board – this time consisting of respondents Borela, Quebral, Tierra, Imana, Rendon, Yeban, Cancino, Torres, Montemayor, Mancenido, Mandilag, Fernandez, Buenaventura, Apilado, Maga, Barbero, Cometa, Bolo, and Manlapaz.

Thus, contrary to respondents' argument that petitioner lost his right to appeal when he failed to petition to convene the general assembly through the required signature of 30% of the union membership in good standing pursuant to Article VI, Section 2(a) of MWEU's Constitution and By-Laws or by a petition of the majority of the general membership in good standing under Article VI, Section 3, this Court finds that petitioner was illegally suspended for the second time and thereafter unlawfully expelled from MWEU due to respondents' failure to act on his written appeals. The required petition to convene the general assembly through the required signature of 30% (under Article VI, Section 2[a]) or majority (under Article VI, Section 3) of the union membership does not apply in petitioner's case; the Executive Board must first act on his two appeals before the matter could properly be referred to the general membership. Because respondents did not act on his two appeals, petitioner was unceremoniously suspended, disqualified and deprived of his right to run for the position of MWEU Vice-President in the September 14, 2007 election of officers, expelled from MWEU, and forced to join another union, WATER-AFWC. For these, respondents are guilty of unfair labor practices under Article 249 (a) and (b) – that is, violation of petitioner's right to self-organization, unlawful discrimination, and illegal termination of his union membership – which case falls within the original and exclusive jurisdiction of the Labor Arbiters, in accordance with Article 217 of the Labor Code.

The primary concept of unfair labor practices is stated in Article 247 of the Labor Code, which states:

Article 247. Concept of unfair labor practice and procedure for prosecution thereof. — Unfair labor practices violate the constitutional right of workers and employees to self-organization, are inimical to the legitimate interests of both labor and management, including their right to bargain collectively and otherwise deal with each other in an atmosphere of freedom and mutual respect, disrupt industrial peace and hinder the promotion of healthy and stable labor-management relations.

“In essence, [unfair labor practice] relates to the commission of acts that transgress the workers' right to organize.”⁵⁰ “[A]ll the prohibited acts constituting unfair labor practice in essence relate to the workers' right to self-organization.”⁵¹ “[T]he term unfair labor practice refers to that gamut of offenses defined in the Labor Code which, at their core, violates the constitutional right of workers and

⁵⁰ *Baptista v. Villanueva*, G.R. No. 194709, July 31, 2013, 703 SCRA 48, 57.

⁵¹ *Culili v. Eastern Telecommunications Philippines, Inc.*, 657 Phil. 342, 368 (2011).

employees to self-organization.”⁵²

Guaranteed to all employees or workers is the ‘right to self-organization and to form, join, or assist labor organizations of their own choosing for purposes of collective bargaining.’ This is made plain by no less than three provisions of the Labor Code of the Philippines. Article 243 of the Code provides as follows:

ART. 243. Coverage and employees’ right to self-organization. — All persons employed in commercial, industrial and agricultural enterprises and in religious, charitable, medical, or educational institutions whether operating for profit or not, shall have the right to self-organization and to form, join, or assist labor organizations of their own choosing for purposes or collective bargaining. Ambulant, intermittent and itinerant workers, self-employed people, rural workers and those without any definite employers may form labor organizations for their mutual aid and protection.

Article 248 (a) declares it to be an unfair labor practice for an employer, among others, to ‘interfere with, restrain or coerce employees in the exercise of their right to self-organization.’ Similarly, Article 249 (a) makes it an unfair labor practice for a labor organization to ‘restrain or coerce employees in the exercise of their rights to self-organization . . .’

X X X X

The right of self-organization includes the right to organize or affiliate with a labor union or determine which of two or more unions in an establishment to join, and to engage in concerted activities with co-workers for purposes of collective bargaining through representatives of their own choosing, or for their mutual aid and protection, *i.e.*, the protection, promotion, or enhancement of their rights and interests.⁵³

As members of the governing board of MWEU, respondents are presumed to know, observe, and apply the union’s constitution and by-laws. Thus, their repeated violations thereof and their disregard of petitioner’s rights as a union member – their inaction on his two appeals which resulted in his suspension, disqualification from running as MWEU officer, and subsequent expulsion without being accorded the full benefits of due process – connote willfulness and bad faith, a gross disregard of his rights thus causing untold suffering, oppression and, ultimately, ostracism from MWEU. “Bad faith implies breach of faith and willful failure to respond to plain and well understood obligation.”⁵⁴ This warrants an award of moral damages in the amount of ₱100,000.00. Moreover, the Civil Code provides:

⁵² *Pepsi-Cola Products Philippines, Inc. v. Molon*, G.R. No. 175002, February 18, 2013, 691 SCRA 113, 133.

⁵³ *Reyes v. Trajano*, G.R. No. 84433, June 2, 1992, 209 SCRA 484, 488-489.

⁵⁴ *Sanchez v. Republic*, 618 Phil. 228, 236 (2009).

Art. 32. Any public officer or employee, or any private individual, who directly or indirectly obstructs, defeats, violates or in any manner impedes or impairs any of the following rights and liberties of another person shall be liable to the latter for damages:

x x x x

(12) The right to become a member of associations or societies for purposes not contrary to law;

In *Vital-Gozon v. Court of Appeals*,⁵⁵ this Court declared, as follows:

Moral damages include physical suffering, mental anguish, fright, serious anxiety, besmirched reputation, wounded feelings, moral shock, social humiliation, and similar injury. They may be recovered if they are the proximate result of the defendant's wrongful act or omission. The instances when moral damages may be recovered are, *inter alia*, 'acts and actions referred to in Articles 21, 26, 27, 28, 29, 30, 32, 34 and 35 of the Civil Code,' which, in turn, are found in the Chapter on Human Relations of the Preliminary Title of the Civil Code. x x

Under the circumstances, an award of exemplary damages in the amount of ₱50,000.00, as prayed for, is likewise proper. "Exemplary damages are designed to permit the courts to mould behavior that has socially deleterious consequences, and their imposition is required by public policy to suppress the wanton acts of the offender."⁵⁶ This should prevent respondents from repeating their mistakes, which proved costly for petitioner.

Under Article 2229 of the Civil Code, '[e]xemplary or corrective damages are imposed, by way of example or correction for the public good, in addition to the moral, temperate, liquidated or compensatory damages.' As this court has stated in the past: 'Exemplary damages are designed by our civil law to permit the courts to reshape behaviour that is socially deleterious in its consequence by creating negative incentives or deterrents against such behaviour.'⁵⁷

Finally, petitioner is also entitled to attorney's fees equivalent to 10 *per cent* (10%) of the total award. The unjustified acts of respondents clearly compelled him to institute an action primarily to vindicate his rights and protect his interest. Indeed, when an employee is forced to litigate and incur expenses to protect his rights and interest, he is entitled to an award of attorney's fees.⁵⁸

⁵⁵ 354 Phil. 128, 151 (1998).

⁵⁶ *U-Bix Corporation v. Bandiola*, 552 Phil. 633, 651 (2007).

⁵⁷ *Montinola v. Philippine Airlines*, G.R. No. 198656, September 8, 2014, 734 SCRA 439, 464.

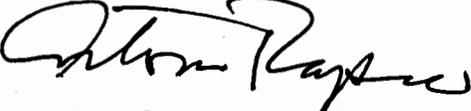
⁵⁸ *Tangga-an v. Philippine Transmarine Carriers, Inc.*, G.R. No. 180636, March 13, 2013, 693 SCRA 340, 356, citing *Kaisahan at Kapatiran ng mga Manggagawa at Kawani sa MWC-East Zone Union v. Manila Water Company, Inc.*, 676 Phil. 262 (2011).

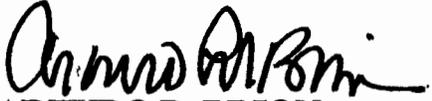
WHEREFORE, the Petition is **PARTIALLY GRANTED**. The assailed April 24, 2012 Decision of the Court of Appeals in CA-G.R. SP No. 115639 is hereby **MODIFIED**, in that all of the respondents – except for Carlos Villa, Ric Briones, and Chito Bernardo – are declared guilty of unfair labor practices and **ORDERED TO INDEMNIFY** petitioner Allan M. Mendoza the amounts of ₱100,000.00 as and by way of moral damages, ₱50,000.00 as exemplary damages, and attorney’s fees equivalent to 10 *per cent* (10%) of the total award.

SO ORDERED.


MARIANO C. DEL CASTILLO
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson


ARTURO D. BRION
Associate Justice


JOSE CATRAL MENDOZA
Associate Justice


MARVIC M.V.F. LEONEN
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ANTONIO T. CARPIO

*Associate Justice
Chairperson*

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO

Chief Justice

