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APPROVED AND THE PARTIES ARE HEREBY ENJOINED TO COMPLY WITH ITS TERMS AND STIPULATIONS. THIS CASE IS HEREBY DECLARED CLOSED AND TERMINATED.

NO COSTS.

Teehankee (Chairman), Fernandez, Guerrero, De Castro, and *Melencio Herrera, JJ.*, concur.

SECOND DIVISION

[G.R. No. L-24347. March 27, 1979]

COMMUNITY SAWMILL COMPANY, *petitioner, vs.* **COURT OF INDUSTRIAL RELATIONS, and COMMUNITY EFFORT LABOR UNION,** *respondents.*

SYLLABUS

1. LABOR AND SOCIAL LEGISLATION; TERMINATION OF EMPLOYMENT; CESSATION OF BUSINESS; NOT ESTABLISHED IN CASE AT BAR. — The imputation of arbitrariness, allegedly consisting of imposing a liability for back wages on petitioner even after it had ceased business operation is devoid of support in the evidence. Records disclosed that after the alleged stoppage of operation of the Community Sawmill its manager continued some activities and had something to do with the business of Mindoro Eastern Sawmill, the alleged lessee, whose sawmill permit indicated that it is the same enterprise as the former. Under the circumstance; it did require a certain degree of temerity on the part of petitioner to seek a reduction of its liability to pay back wages on the ground that its responsibility to pay compensation ought to have ceased when it closed shop, an issue that it ought to have known would be disproved by the very actuation of its officials. It was indicative of the stubbornness on its part to refuse compliance

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with what the law requires. Such being the case, the allegation of blatant disregard of the proof submitted as to petitioner having ceased to do business as of November 30, 1957 clearly lacks foundation. No due to process question arose.

2. **REMEDIAL LAW; COURTS; COURT OF INDUSTRIAL RELATIONS; FINDING OF FACTS THEREOF RESPECTED ON APPEAL; JURISPRUDENCE.** — Finding of facts, if supported any substantial evidence, of the Court of Industrial Relations are accorded full respect by the Supreme Court. That has been norm since *Pambusco Employee's Union v. Court of Industrial Relations*, a 1939 decision with Justice Laurel as ponente. In *Philippine Educational Institution v. MLQSEA Faculty Association,* a 1968 decision, the opinion cited twenty-seven cases after Pambusco, starting from *Manila Electric Co. v. National Labor Union* (70 Phil. 617) to *Laguna College v. Court of Industrial Relations* (L-28927 Sept. 25, 1968). Thereafter, the Supreme Court had occasion to reiterate such a doctrine, the latest citation appearing in *Dairy Queen Products Co. v. Court of Industrial Relations* (L-35009, August 31, 1977).

D E C I S I O N

FERNANDO, *J.*:

This is a petition for *certiorari* to review an order of the Court of Industrial Relations, denying a motion for the reopening of a case wherein petitioner company as respondent was required to pay the total amount of ₱128,920.50 by way of back wages.[1] Petitioner would seek a reduction if its liability for such payment on the ground that its responsibility to pay compensation ought to have ceased as far back as November 30, 1957, when it closed shop. If indeed there was such an arbitrary disregard of such a fact, then there is plausibility to its contention that the assailed order could be stigmatized as a denial of due process. Its own printed petition for *certiorari*, containing the order sought to be set, does not justify such a claim. After referring to such motion by present petitioner, as respondent,[2] to reopen

[1] Petition, Annex A, 19.

[2] Case No. 1176-ULP of the Court of Industrial Relations.

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the proceedings and to allow the introduction of evidence seeking to reduce its liability and after setting forth that complainant labor union, now respondent, formally opposed such pleading, its opposition coming after two years, the order continues: "The parties adduced their respective evidence. Record reveals that respondents, through counsel, received a copy of the Court Examiner's Report on November 21, 1961. The Report clearly indicated that '[par.] 3. The total amount of back wages of the claimants in this case from the time they were dismissed up to November 11, 1961 is ₱128,920.50 ***.' Record likewise shows that on November 18, 1961, counsel for respondent company and its manager were furnished copies of complainant's 'Motion to Deposit & Execution' which *** 'prayed that this Honorable Court order the Respondents to deposit the sum of ₱128,920.50 as computed by the examiner of this Court.' But, as found in the Order of December 8, 1961, directing that the amount be deposited in Court,' *** respondents has not as yet filed any opposition thereto.' Record further shows that counsel for respondent company or sawmill received a copy of this Order on December 13, 1961. Considering that the Motion to Re-open was filed on December 28, 1961, or more than ten (10) days after receipt of the Order of December 8, 1961, there is no doubt that the same was filed after the Order had long become final and executory. These facts show that the motion has no basis."[3] The care taken by the labor tribunal to take into consideration the equitable aspects of this controversy is manifest in this portion of the opinion of the then Judge Ansberto Paredes: "If, as contended, respondent company had ceased operation on November 30, 1957, the back wages should end up to that date and no more. This must be so, if such contention were true, for even if the workers concerned were not separated from work they could not have worked after November 30, 1957, because of the alleged stoppage of operation. To give them back wages thereafter would be to place them in a position better than that of being dismissed."[4]

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[3] Petition, Annex A, 19-20.

[4] *Ibid.*

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Judge Paredes made quite apparent why the effort of petitioner should come to naught. Thus: "Even as the Motion to Re-open, which is verified, admits that a copy of the Order approving the Examiner's Report and directing the deposit of ₱128,920.50 with the Court, was received on December 13, 1961, the same motion attempts to justify its belatedness by alleging, among others, that '*** Lee Koc, the respondent's former Manager, came to the undersigned's office after many weeks of absence ***. 'What an unnerving (*sic*) reason that would set aside the legal rule and consequence that notice to counsel is notice to client. Counsel for respondent Community Sawmill had been put on notice respecting the period covered by the back wages since he received on November 21, 1961, a copy of the Court Examiner's Report. It was his duty to inform his client about the Report. From the affidavit of Lee Koc attached to the Motion to Re-open as well as his testimony, counsel for respondent sawmill could have easily contacted Lee Koc because the latter admitted having resided in the compound of respondent sawmill even during the time the operation of the sawmill allegedly had ceased (pages 24 to 25, t.s.n. of February 16, 1964). But this is not all. Respondent company claims that since it ceased operation on November 30, 1957, it did not operate anymore because it leased the sawmill and other machineries to the Mindoro Eastern Sawmill. The evidence (Exhibits '5', '5-A' and '5-B') show, however, that it had some activities in 1959, when trips were made to Calapan, Mindoro, on (to quote the document themselves) 'a/c of Community Saw Mill Co.' The authority for the trips and payment thereof was under the signature of Lee Koc, the same person on the strength of whose affidavit, among others, the Motion to Re-open was filed. It is likewise shown by Exhibit '6' that 'manager' Lee Koc himself had something to do with the business of Mindoro Eastern Saw Mill. It is a fact established by this evidence that he (Lee Koc) received from Luis Infantado the sum of ₱2,160.00 '*** for services rendered by the Company's tractor for hauling 540 Cu. M. of logs ***.' And this receipt was issued under the heading 'Mindoro Eastern Saw Mill.' Lee Koc had attempted to explain away the adverse effect of this document. But the truth remains that while the receipt signed by him nominally

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that of the Mindoro Eastern Saw Mill Co., actually it was for respondent Community Sawmill Co. Again it is established by movant-company's own evidence (Exhibit 'E-Resp.') which is the Sawmill Permit, No. 88-59 for the fiscal year ending June 1959, dated July 9, 1958, that the Mindoro Eastern Sawmill '*** is the former Community Sawmill Co., Ltd., ***.' This is one of the documents brought to Court by the Chief of the Sawmill Section, Sawmills and Licenses Division of the Bureau of Forestry, at the hearing on November 19, 1963. Testifying on this document and other documents brought to court by virtue of a *subpoena duces tecum*, the Chief of the Sawmill Section (when asked whether, after the sawmill permit for July 1, 1957 up to June 30, 1958 was issued in favor of respondent Community Sawmill Co., another permit was issued the same respondent) declared that '*** this Community Sawmill Company is now the Mindoro Eastern Sawmill, according to the record.' (page 17, t.s.n., of November 19, 1963). Hastening to explain his statement, he declared that what '*** I mean the Mindoro Sawmill is a successor only to the Community Sawmill.' (page 25, t.s.n. of November 19, 1963). Be that as it may, the fact remains that in the Sawmill Permit No. 138-'60 issued in favor of Mindoro Eastern Sawmill (Exh. 'F'), being one of the documents brought to court by the said Section Chief, Lee Koc, signing for Mindoro Eastern Sawmill, stated that 'This is to certify that I am willing to pay any increase sawmill permit fee due to increase capacity of *my* sawmill after the District Forester, Calapan, Oriental Mindoro inspected *my* sawmill.' With this statement and the other facts herein analyzed, the Court is morally certain that respondent Community Sawmill Co., Ltd. is not at all entitled to the beneficent effects of equity."[5]

It is thus apparent why this petition should be dismissed for lack of merit.

1. Even a cursory perusal of the order of Judge Paredes, affirmed in a resolution by the Court of Industrial Relations *en banc* on February 16, 1965, did indicate that the imputation of

[5] *Ibid.* 20-23.

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arbitrariness, allegedly consisting of imposing a liability for back wages on petitioner even after it had ceased business operation is devoid of support in the evidence. It cannot be denied that painstaking care was taken by the then Judge Paredes to appraise the competent and credible evidence of record. Under the circumstances, it did require a certain degree of temerity on the part of petitioner to raise an issue that it ought to have known would be disproved by the very actuation of its officials. It was indicative of the stubbornness on its part to refuse compliance with what the law requires. Such being the case, the allegation of blatant disregard of the proof submitted as to petitioner having ceased to do business as of November 30, 1957 clearly lacks of foundation. No due process question arose.

2. The facts as found were set forth with clarity. Their conformity to what did transpire is quite evident. For petitioner to expect that this Court could rule otherwise is entirely unwarranted. That would constitute a marked departure from authoritative precedents. Nothing is better settled than that finding of facts, if supported by substantial evidence, of the Court of Industrial Relations are accorded full respect by this Tribunal. That has been the norm since *Pambusco Employees' Union v. Court of Industrial Relations,*[6] a 1939 decision with Justice Laurel as *ponente*. In *Philippine Educational Institution v. MLQSEA Faculty Association,*[7] a 1968 decision, the opinion cited twenty-seven cases after Pambusco, starting from *Manila Electric Co. v. National Labor Union*[8] to *Laguna College v. Court of Industrial Relations*.[9] Thereafter, this Court had occasion to reiterate such a doctrine, the latest citation appearing in *Dairy Queen Products Co. v. Court of Industrial Relations*.[10]

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[6] 68 Phil. 591 (1939).

[7] L-24019, November 29, 1968, 26 SCRA 272.

[8] 70 Phil. 617 (1940).

[9] L-28927, September 25, 1968, 25 SCRA 167.

[10] L-35009, August 31, 1977, 78 SCRA 439. Cf. *G. Liner v. National Labor Union,* L-24963, Nov. 29, 1968, 26 SCRA 282; *National Waterworks and Sewerage Authority v. NWSA Consolidated Union,* L-26894-96, Feb.

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WHEREFORE, the petition is dismissed for lack of merit. The assailed order denying the motion to reopen the case as well as the *en banc* resolution of the then Court of Industrial Relations denying a motion for reconsideration stand affirmed. The enforcement of such order, in accordance with the present Labor Code, is entrusted to the National Labor Relations Commission. This decision is immediately executory. Costs against petitioner.

Barredo, Antonio, Aquino, Concepcion Jr., and *Santos, JJ.*, concur.

Abad Santos, J., on leave.

28, 1969, 27 SCRA 227; *Sanchez v. Court of Industrial Relations*, L-26932, March 28, 1969, 27 SCRA 490; *Alhambra Industries, Inc. v. Court of Industrial Relations*, L-22219, Aug. 28, 1969, 29 SCRA 138; *De Leon v. Pampanga Sugar Development*, L-26844, Sept. 30, 1969, 29 SCRA 628; *Gonzales v. Victory Labor Union*, L-23256, Oct. 31, 1969, 30 SCRA 47; *Lakas ng Manggagawang Makabayan v. Court of Industrial Relations*, L-32178, Dec. 28, 1970, 36 SCRA 600; *Philippine Engineering Corp. v. Court of Industrial Relations*, L-27880, Sept. 30, 1971, 41 SCRA 89; *Cruz v. Philippine Association of Free Labor Unions*, L-26519, Oct. 29, 1971, 42 SCRA 68; *Mercury Drug Co. v. Court of Industrial Relations*, L-23357, April 30, 1974, 56 SCRA 694; *Philippine Rock Products v. Philippine Association of Free Labor Unions*, L-32829, Aug. 30, 1974, 58 SCRA 730; *Gonzalo Puyat and Sons v. Labayo*, L-32480, Feb. 25, 1975, 62 SCRA 488; *Adame v. Court of Industrial Relations*, L-33221, April 28, 1975, 63 SCRA 469.