REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, Second Division, issued a Resolution dated **02 September 2020** *which reads as follows*:

"G.R. No. 233899 (*Mindanao Polytechnic College and/or Arturo A. Aguilar, Petitioners, v. Mindanao Polytechnic College Faculty Association [MPCFA], Inc., Respondent*). – After a judicious study of the case, the Court resolves to **DENY** the Petition for Review on *Certiorari*[1] and **AFFIRM** the Decision[2] dated March 30, 2017 and the Resolution[3] dated August 23, 2017 of the Court of Appeals (CA) in CA-G.R. SP No. 07245-MIN for failure of Mindanao Polytechnic College and/or Arturo A. Aguilar (petitioners) to sufficiently show that the CA committed any reversible error in ordering them to pay the economic benefits of the members of Mindanao Polytechnic College Faculty Association, Inc. [MPCFA] (respondent) pursuant to the parties' Collective Bargaining Agreement (CBA).

As correctly ruled by the CA, the two cases filed by respondent have different subject matters. Case No. RAB-XI-08-50337-2000 refers to petitioners' refusal to collectively bargain with the union, as well as their discrimination and harassment of respondent's members by reason of their membership and active participation in its activities.[4] On the other hand, the subject matter in Case No. SRAB-XII-01-00013-13 [Case No. SRAB-XII-06-00207-14] is petitioners' act of violating the CBA and their refusal to release the economic benefits for the School Year 2005-2006 onwards.[5]

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1 *Rollo*, pp. 9-28.
2 *Id.* at 30-41; penned by Associate Justice Oscar V. Badelles with Associate Justices Romulo V. Borja and Perpetua T. Atal-Paño, concurring.
3 *Id.* at 43-45.
4 *Id.* at 35.
5 *Id.* at 36.

Moreover, contrary to petitioners' contention, respondent had no intention of altering the Labor Arbiter's Decision which gave effect to the parties' CBA. The CBA shall govern the relations between the management and the union for the term of five years from June 2000 to June 2005. It was precisely the violation of the CBA that prompted respondent to file another complaint to obtain economic benefits beyond June 2005.[6]

In *New Pacific Timber and Supply Company, Co., Inc. v. NLRC,*[7] the Court declared that, notwithstanding the expiration of the CBA, the parties are duty bound to keep the *status quo* and to continue in full force and effect the terms and conditions of the existing agreement. The law does not provide for any exception nor qualification as to which of the economic provisions of the existing agreement are to retain force and effect; therefore, it must be understood as encompassing all the terms and conditions in the said agreement.[8] The Court discussed:

> In the case at bar, no new agreement was entered into by and between petitioner Company and NFL pending appeal of the decision in NLRC Case No. RAB-IX-0334-82; nor were any of the economic provisions and/or terms and conditions pertaining to monetary benefits in the existing agreement modified or altered. Therefore, the existing CBA in its entirety, continues to have legal effect.
>
> In a recent case, the Court had occasion to rule that Articles 253 and 253-A mandate the parties to keep the *status quo* and to continue in full force and effect the terms and conditions of the existing agreement during the 60-day period prior to the expiration of the old CBA and/or until a new agreement is reached by the parties. Consequently, the automatic renewal clause provided for by the law, which is deemed incorporated in all CBA's, provides the reason why the new CBA can only be given a prospective effect.
>
> In the case of *Lopez Sugar Corporation vs. Federation of Free Workers, et al.*, this Court reiterated the rule that *although a CBA has expired, it continues to have legal effects as between the parties until a new CBA has been entered into. It is the duty of both parties to the CBA to keep the status quo, and to continue in full force and effect the terms and conditions of the existing agreement during the 60-day period and/or until a new agreement is reached by the parties.*
>
> To rule otherwise, *i.e.,* that the economic provisions of the existing CBA in the instant case ceased to have force and effect in the year 1984, would be to create a gap during which no agreement would

[6] *Id.* at 39.
[7] 385 Phil. 93 (2000).
[8] *Id.*

> govern, from the time the old contract expired to the time a new agreement shall have been entered into. For if as contended by the petitioner, the economic provisions of the existing CBA were to have no legal effect, what agreement as to wage increases and other monetary benefits would govern at all? None, it would seem, if we are to follow the logic of petitioner Company. Consequently, the employees from the year 1985 onwards would be deprived of a substantial amount of monetary benefits which they could have enjoyed had the terms and conditions of the CBA remained in force and effect. Such a situation runs contrary to the very intent and purpose of Articles 253 and 253-A of the Labor Code which is to curb labor unrest and to promote industrial peace, as can be gleaned from the discussions of the legislators leading to the passage of said laws, thus: x x x x. [9] (Emphasis supplied; citations omitted).

It must be stressed at this point that the CBA binds all the parties. In the event that an obligation imposed therein is not fulfilled, the aggrieved party has the right to go to court and ask redress.[10] Considering that no new CBA has been agreed upon by both petitioners and respondent, the provisions of the old CBA continue to have full force and effect until a new one is entered into by them.

WHEREFORE, the petition is **DENIED** for lack of merit. The Decision of the Court of Appeals dated March 30, 2017 and the Resolution dated August 23, 2017 in CA-G.R. SP No. 07245-MIN are **AFFIRMED**.

SO ORDERED." (**BALTAZAR-PADILLA, *J.***, on leave.)

By authority of the Court:

TERESITA AQUINO TUAZON
Deputy Division Clerk of Court
09 OCT 2020 10/9

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[9] *New Pacific Timber and Supply Company, Co., Inc. v. NLRC*, *supra* note 7 at 105-107.

[10] *Faculty Association of Mapua Institute of Technology v. CA*, 552 Phil. 77, 84 (2007), citing *Holy Cross of Davao College, Inc. v. Holy Cross of Davao Faculty Union-KAMAPI*, G.R. No. 156098, June 27, 2005, 461 SCRA 319, 327.

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