VII

National Organization of Laborers and Employees (NOLE), Petitioners, vs. Arsenio Roldan, Modesto Castillo, and Juan Lanting, Judges of Court of Industrial Relations; Rizal Cement Co., Inc., Respondents, No. L-6888, August 31, 1954, Montemayor, J.

EMPLOYER AND EMPLOYEE; DISMISSAL FROM EMPLOYMENT AFTER EMPLOYEE HAD BEEN ACQUITTED IN CRIMINAL CASE. — The acquittal of an employee in a criminal case is no bar to the Court of Industrial Relations, after proper hearing, making its own findings, including the finding that the same employee was guilty of acts inimical to the interests of his employer and justifying loss of confidence in him by said employer, thereby warranting his dismissal or the refusal of the company to reinstate him.

Enage, Beltran and *Ramon T. Garcia* for petitioner.
Bausa & Ampil for respondent Rizal Cement Co., Inc.

DECISION

MONTEMAYOR, *J.*:

This is a petition to review on certiorari the order of the Court of Industrial Relations (CIR) dated January 5, 1953, signed by an associate Judge thereof, and the resolution of March 30, 1953, signed by the majority of the Judges thereof, denying the motion for reconsideration. The facts in the case are not disputed and only questions of law as we understand the petition are involved in this appeal.

Prior to March 12, 1952, the Rizal Cement Co., Inc., a corporation, had a factory and a compound in Binañgonan, Rizal, where cement was being manufactured. Over 200 employees were working in said factory. Most, if not all of them, belonged to the National Organization of Laborers & Employees (NOLE), a labor union of which Tarcilo Rivas was the President and Alberto Tolentino a member. On March 12, 1952, because of the supposed failure of the cement company to grant certain demands of the laborers, such as increase in salaries, vacation leave and accrued leave with pay, a strike was declared. The strikers numbering about 200, working in three shifts of about seventy men, maintained a picket line near and around the compound of the cement company and for their convenience a big tent was put up with cots in it where the strikers and their leaders could rest or sleep between shifts.

The following day the cement company filed a petition with the CIR praying that the strikers be ordered to go back to their work, and that the strike be declared illegal. At the suggestion of the CIR, an amended petition docketed as Case 676-V(3) was filed on March 15th by including as party-respondent the NOLE, and the case was set for hearing on March 18th. On that date a temporary settlement was arrived at between the cement company and the strikers to the effect that the former granted to the laborers a 7% general increase in their salaries or wages and fifteen days sick and fifteen days vacation leaves with pay, and shortly before March 20th all the strikers returned to work and with the exception of Rivas and Tolentino were admitted by the cement company. The reason for the non-admission of Rivas and Tolentino was that they had in the meantime been charged with illegal possession of hand grenades found under one of the cots inside the tent of the strikers, in a criminal case before the Court of First Instance of Rizal.

In July 1952, Rivas and Tolentino were acquitted by the Rizal Court of the charges of illegal possession of hand grenades, and armed with this judgment of acquittal, the two men through their union NOLE, filed an urgent motion in the CIR docketed as Case 676-V(5), praying for their reinstatement with the cement company, with backpay. The cement company opposed the motion. The two cases 676-V(3) and 676-V(5) were heard jointly by the CIR, after which it rendered a single order, that of January 5, 1953, now sought to be reviewed.

Despite the judgment of acquittal of Rivas and Tolentino on the ground that their guilt had not been established to the satisfaction of the trial court, or in other words, that their guilt had not been proven beyond reasonable doubt, the CIR made its own finding as to the relation or connection of Rivas and Tolentino with the three hand grenades in question, resulting in the CIR being convinced that these three hand grenades were illegally possessed and intended to be used by Rivas and Tolentino to blast the blasting cap and dynamite storage or magazine of the cement factory within the compound, in relation with the strike. Instead of making a resume of the findings of fact of the CIR and because by law and by established jurisprudence we may not disturb or modify said findings except where there is complete absence of evidence to support the same, we are reproducing that part of the order appealed from containing said findings, including the dispositive part thereof:

"On March 12, 1952, a strike was declared by the workers of petitioner in its factory at Binañgonan, Rizal; that due to said strike, the Armed Forces of the Philippines sent a group of soldiers to maintain peace and order therein. Among these soldiers are Sgt. Angel Huab of the Army and Sgt. Edilberto Buluran of the Constabulary. On March 16, 1952, at about 6:00 o'clock in the morning, Sgt. Huab saw Alberto Tolentino inside the tent occupied by the strikers, picking up three hand grenades and putting them inside a paper bag. Sgt. Huab got scared when he saw Tolentino walk out of the tent with the hand grenades. At this instant, Sgt. Huab ordered a policeman of the petitioner to overtake and stop Tolentino which was done. Thereupon, Sgt. Huab questioned Tolentino who readily admitted that he was carrying said hand grenades which were in a paper bag because he was ordered by Tarcilo Rivas to blast the dynamite storage of the Rizal Cement Ractory. Sgt. Huab, being a member of the Army, without authority to investigate the case or cases of this nature, brought Tolentino inside the compound of petitioner and there surrendered him with the hand grenades to Sgt. Edilberto Buluran of the PC. On the strength of the statement of Tolentino implicating Tarcilo Rivas in connection with the hand grenades, Sgt. Buluran brought the two (Tolentino and Rivas) to the PC Headquarters in Pasig, Rizal. for further investigation.

"At the PC Headquarters of Rizal, Rivas and Tolentino were investigated by Sgt. Buluran, Lt. Del Rosario and Lt. Ver. Antonio Antiporda, admittedly the adviser or liaison man of the union to which Rivas and Tolentino belong, i.e., the Federation of Free Workers (FFW), was also investigated by the PC officers on March 16, 1952. The three of them, Antiporda, Rivas and Tolentino, then gave separate written statements to the PC investigating officers which, on March 17, 1952, were sworn to by each of them in the presence of each other and in the presence of the attesting witnesses before Nicanor P. Nicolas, Provincial Fiscal of Rizal, at the latter's office at Pasig, Rizal, Exhibits "AA-V(3)", "CC-V(3)", and FF-V(3)", respectively. The statement of Antonio Antiporda is not disputed. Neither is there any dispute as regards the correctness and veracity of the written confession of Tarcilo Rivas who admitted to the Court that he signed the same voluntarily.

"Respondent NOLE, however, endeavored to show that Exhibit "FF-V(3)", which is the statement of Alberto Tolentino, was signed by him under duress. Tolentino stated during the hearing that he signed said document because Sgt. Buluran was swinging up and down his revolver. Tolentino admitted, however, that Sgt. Buluran did not say or hint that he would hurt him (Tolentino) if he did not sign said statement. Tolentino's demeanor on the witness stand, coupled with the uncontradicted evidence that he swore to and signed his written statement before the Provincial Fiscal after the latter read to him said statement in the presence not only of Antiporda but also of Tarcilo Rivas, Lt. Ver and the attesting witnesses, shows that his (Tolentino's) statement was given voluntarily. The written statement of Antiporda, who was not presented even if only to explain or deny the same, supports also this finding of the Court. Besides, there is no reason, and no motive was shown, why Sgt. Buluran of the PC should threaten Tolentino to sign said statement.

"Tolentino admitted in his written statement, Exhibit "FF-V (3)" that when he was arrested on the morning of March 16, 1952, he was on his way to execute the order given to him by Tarcilo Rivas, President of NOLE, to blast the dynamite storage of the petitioner company. But when Tolentino took the witness stand, he stated that he was on his way to throw said hand grenades into the sea, in obedience to the order of Tarcilo Rivas. The Court is at a loss to comprehend this excuse of Tolentino. It was not explained why, instead of passing along the trail leading to the sea, Tolentino followed a path that brought him right into the edge of the compound where he was stopped in the direction of the dynamite and blasting cap storage of the petitioner's factory. Why did he not inform the Police, the Philippine Constabulary or the Army who were there for security purposes, particularly Sgt. Huab of the Army, who was only 5 to 15 meters away from where he picked up the hand grenades? Furthermore, this testimony of Tolentino that he was ordered by Rivas to throw the hand grenades into the sea runs counter to the written statement of Tarcilo Rivas (Exh. "AA-V(3)").

"Tarcilo Rivas also endeavored to extricate himself from his written statement, Exhibit "AA-V(3)". Rivas categorically stated that he ordered Tolentino to surrender the hand grenades to the Philippine Constabulary. This cannot be true because Tolentino was apprehended 300 meters away from the tent and, according to Rivas himself, eight or nine soldiers were around the place besides Sgt. Huab who was only 5 to 15 meters away from the tent. But Rivas claims that perhaps Tolentino did not hear his directive, Exhibit "AA-V(3)". The Court cannot accept this claim of Rivas, because if this were true, Rivas could have easily told the Army and PC soldiers about the hand grenades inside the tent if he was afraid to pick them up instead of ordering Tolentino to pick and surrender them to the PC. Again, Rivas should have called Tolentino back when the former saw Tolentino walked towards the dynamite storage of petitioner and away from the soldiers, if his instructions were really to surrender the hand grenades to the soldiers. What Rivas and Tolentino failed to do are the most natural things that anyone in their place would have done under the circumstances, to be consistent with their pretensions. What is more strange is that, apparently, none of the two hundred striking workers of the petitioner who occupied, used and had control of the tent in shifts of seventy (70), noticed who placed the hand grenades and their existence under a cot inside the tent until the morning of March 16, 1952, when Rivas told Tolentino to pick them up.

"In passing, it may be stated that the hand grenades were brought to the Court and, according to the testimony of Lt. Ver, they are live and unexploded and that they are not of the army type as they show signs of having been buried for some time.

"The reason why Rivas and Tolentino did not report to the PC and/or Army soldiers the existence of the hand grenades inside the tent is obvious. The directive of Rivas, according to the written statement of Tolentino, to blast the dynamite storage, coupled with the fact that he (Tolentino) was apprehended at the edge of the compound in the direction of the dynamite storage with the hand grenades in his possession, show very clearly the plan to blast said dynamite storage of the company in order to compel it to recognize the respondent NOLE.

"Indeed, it was only by acts independent of their own voluntary desistence that they were prevented from consumating their plan to blast and destroy the dynamite and blasting cap storage of the company by means of the hand grenades. This Court and the Supreme Court, in a number of cases, have held that when the purpose of a strike is to cause destruction of property and/or the means employed to uphold and maintain it is unlawful, the strike is illegal.

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"IN VIEW OF ALL FOREGOING CONSIDERATIONS, the Court believes and so holds, that the strike declared on March 12, 1952, by the workers of the Rizal Cement Company in its factory at Binañgonan, Rizal, is illegal. As a consequence, although the strike was voted for and approved by the workers only Tarcilo Rivas and Alberto Tolentino, who committed acts inimical to the interest of their employer, should be held responsible for the illegal strike and, therefore, their petition for reinstatement should be, as it is hereby, denied."

The main legal question involved in the present appeal, which we are called upon to determine is, whether or not the Rizal Court judgment of acquittal of Rivas and Tolentino of the charges of illegal possession of hand grenades bound the CIR and barred it from holding its own hearing in Case 676-V(5), thereafter making its own findings, including the finding that the two men had illegal possession of said hand grenades because with them they intended, even attempted to blast the dynamite storage of the cement company, their employer, which would have been an act of sabotage, and in finally declaring said two employees ineligible and unworthy of reinstatement in their posts abandoned by them when they went on strike.

In the case of National Labor Union vs. Standard Vacuum Oil Co., 40 O.C. 3503, this Tribunal said that —

"The conviction of an employee in a criminal case is not indispensable to warrant his dismissal by his employer. If the Court of Industrial Relations finds that there is sufficient evidence to show that the employee has been guilty of a breach of trust, or that the employer has ample reason to dismiss such employee x x x. It is not necessary for said court to find that an employee has been guilty of a crime beyond reasonable doubt in order to authorize his dismissal."

By a parity of reasoning, we hold that the acquittal of an employee in a criminal case is no bar to the CIR, after proper hearing, finding the same employee guilty of acts inimical to the interests of his employer and justifying loss of confidence in him by said employer, thereby warranting his dismissal or the refusal of the company to reinstate him. The reason for this is not difficult to see. The evidence required by law to establish guilt and to warrant conviction in a criminal case, substantially differ from the evidence necessary to establish responsibility or liability in a civil or non-criminal case. The difference is in the amount and weight of evidence and also in degree. In a criminal case, the evidence or proof must be beyond reasonable doubt while in a civil or non-criminal case, it is merely preponderance of evidence. In further support of this principle we may refer to Article 29 of the new Civil Code (Republic Act 386) which provides that when the accused in a criminal case is acquitted on the ground of reasonable doubt, a civil action for damages for the same act or omission may be instituted where only a preponderance of evidence is necessary to establish liability. From all this, it is clear that the CIR was justified in denying the petition of Rivas and Tolentino for reinstatement in the cement company because of their illegal possession of hand grenades intended by them for purposes of sabotage in connection with the strike on March 16, 1952.

The second question involved is whether or not the strike declared on March 12, 1952, maintained up to about March 20th when the strikers, with the exception of Rivas and Tolentino, returned to work and were admitted by the cement company, was legal. The majority of the Justices of this Court are not inclined to pass upon and determine this question for the reason, that among others, it seems to be moot. It will be remembered that as a result of the strike and evidently to induce the strikers to return to work the cement company had granted a general increase of 7% in their wages as well as 15 days vacation leave and 15 days sick leave, with pay, which grants or concessions still obtain and undoubtedly will continue. Moreover, as may be seen from the dispositive part of the order of the CIR of January 5, 1953, although the CIR declared the strike illegal, nevertheless it held Rivas and Tolentino as the only two responsible for the said illegal strike. The inference is that the rest of the strikers now working with the cement company and enjoying the concession granted them will not be held responsible

for the illegal strike, and that said strike cannot in any way affect their present status as laborers or any demands by them either pending or future. With this understanding, we decline to pass upon the legality or illegality of the strike declared on March 12, 1952, against the cement company, regarding the same as immaterial, if not moot.

In view of the foregoing, the order appealed from is hereby affirmed, with costs.

Paras, C.J., Pablo, Bengzon, Padilla, Alex Reyes, Bautista Angelo, Jugo, Labrador, Concepcion and *J. B. L. Reyes, J.J.*, concur.

VIII

Urbano Casillan, Petitioner-Appellee, vs. Francisca E. Vda. De Espartero, et al., Oppositor-Appelants, No. L-6902, September 16, 1954, Reyes, A., J.

LAND REGISTRATION; JURISDICTION OF LAND REGISTRATION COURT TO ORDER RECONVEYANCE OF PROPERTY ERRONEOUSLY REGISTERED IN ANOTHER'S NAME; REMEDY OF LANDOWNER. — The Court of First Instance, in the exercise of its jurisdiction as a land registration court, has no authority to order a reconveyance of a property erroneously registered in another's name. The remedy of the landowner in such a case should the time allowed for the reopening of the decree have already expired — is to bring an ordinary action in the ordinary courts of justice for reconveyance, or for damages if the property has passed into the hands of an innocent purchaser for value.

Manuel G. Alvarado for the oppositors and appellants.
Manuel G. Manzano for petitioner and appellee.

DECISION

REYES, A., *J.*:

On December 19, 1950, Urbano Casillan filed a verified petition in the Court of First Instance of Cagayan in Cadastral Case No. 26, Record No. 2, G.L.R.O. No. 1390, alleging that he was the owner of Lot No. 1380, filed a claim therefor in said case and paid all cadastral costs, but that by mistake title was issued to Victorino Espartero, who never possessed or laid claim to the said lot. Petitioner, therefor, prayed that "in the interest of equity and under Section 112 of Act 496," the court order the heirs of Victorino Espartero — the latter having already died — to reconvey the lot to the petitioner, or merely order the correction of the certificate of title by substituting his name for that of Victorino Espartero as registered owner.

Opposing the petition, the heirs of Victorino Espartero filed a motion to dismiss on the ground, among others, that section 112 of Act 496 did not authorize the reconveyance or substitution sought by petitioner; but the court declared the section applicable. And having found, after hearing, that the lot belonged to petitioner and that title thereto was issued in the name of Victorino Espartero as a consequence of a clerical error in the preparation of the decree of registration, the court ordered the reconveyance prayed for. From this order, oppositors have appealed to this Court and one of the questions raised is that section 112 of Act 496 did not authorize the lower court to order such reconveyance.

Stated another way, appellants' position is that the Court of First Instance, in the exercise of its jurisdiction as a land registration court, had no authority to order a reconveyance in the present case. The appeal thus raises a question of jurisdiction.

In view of our decision in the case of Director of Lands vs. Register of Deeds et al., 49 Off. Gaz., No. 3, p. 935, appellants' contention must be upheld. In that case, the court of land registration had confirmed title in the Government of the Philippine Islands to a parcel of land situated in Malabon, Rizal, but the corresponding decree and certificate of title were issued, not in the name of the Philippine Government, but in that of the municipality of Malabon. Years after, the Director of Lands filed in the original land registration case a petition for an order to have the error corrected and the certificate of title put in the name of the Republic of the Philippines. Acting on the petition, the Court of First Instance of Rizal issued the order prayed for on the authority of section 112 of the Land Registration Act. But upon appeal to this Court, the order was reversed, this Court holding that the lower court, as a land court, had no jurisdiction to issue such order, as the section cited did not apply to the case. Elaborating on the scope of said section, this Court said:

"Roughly, section 112, on which the Director of Lands relies and the order is planted, authorizes, in our opinion, only alterations which do not impair rights recorded in the decree, or alterations which, if they do prejudice such rights, are consented to by all the parties concerned, or alterations to correct obvious mistakes. By the very fact of its indefeasibility, the Court of Land Registration after one year loses its competence to revoke or modify in a substantial manner a decree against the objection of any of the parties adversely affected. Section 112 itself gives notice that it 'shall not be construed to give the court authority to open the original decree of registration,' and section 38, which sanctions the opening of a decree within one year from the date of its entry, for fraud, provides that after that period 'every decree or certificate of title issued in accordance with this section shall be incontrovertible'.

"Under the guise of correcting clerical errors, the procedure here followed and the appealed order were virtual revision and nullification of generation-old decree and certificate of title. Such procedure and such order strike at the very foundation of the Torrens System of land recording laid and consecrated by the emphatic provisions of section 38 and 112 of the Land Registration Act, *supra*. In consonance with the universally-recognized principles which underlie Act No. 496, the court may not, even if it is convinced that a clerical mistake was made, recall a certificate of title after the lapse of nearly 30 years from the date of its issuance, against the vigorous objection of its holder. As was said in a similar but much weaker case than this (Government vs. Judge, etc., 57 Phil., 500): 'To hold that the substitution of the name of a person, by subsequent decree, for the name of another person to whom a certificate of title was issued (five years before) in pursuance of a decree, effects only a correction of a clerical error and that the court had jurisdiction to do it, requires a greater stretch of the imagination than is permissible in a court of justice.' (Syllabus.) It should be noticed that in that case, as in this case, the later decree 'was based on the hypothesis that the decree of May 14, 1925, contained a clerical error and that the court had jurisdiction to correct such error in the manner aforesaid'.

"The sole remedy of the land owner whose property has been wrongfully or erroneously registered in another's name is, after one year from the date of the decree, not to set aside the decree, as was done in the instant case, but, respecting the decree as incontrovertible and no longer open to review, to bring an ordinary action in the ordinary court of justice for reconveyance or, if the property has passed into the hands of an innocent purchaser for value, for damages."

In line with the ruling laid down in the case cited, the order herein appealed from must be, as it is hereby, revoked, without prejudice to the filing of an ordinary action in the ordinary courts of justice for reconveyance, or for damages if the property has passed into the hands of an innocent purchaser for value. Without costs.

Paras, Pablo, Bengzon, Padilla, Montemayor, Jugo, Bautista Angelo, Concepcion, and *J. B. L. Reyes, J.J.*, concur.

IX

Josefa De Jesus, Pilar De Jesus and Dolores De Jesus, Plaintiffs-Appellants, vs. Santos Belarmino and Teodora Ochoa De Juliano, Defendants-Appellees, G. R. No. L-6665, June 30, 1954, Bautista Angelo, J.

1. SALES; VENDEE WITH ACTUAL OR CONSTRUCTIVE