

Title:

Coca-Cola Bottlers Philippines, Inc. v. Angel U. Del Villar

Facts:

Step-by-Step Series of Events:

1. **Initial Employment:**

- On May 1, 1990: Coca-Cola Bottlers Philippines, Inc. (the "Company") hired Angel U. del Villar (Del Villar) as Physical Distribution Fleet Manager, with perks such as a company car, gasoline allowance, and annual foreign travel.

2. **Reorganization of Duties:**

- In 1992: Del Villar's role changed to Transportation Services Manager under the Business Logistic Directorate.

3. **Submission of Fraud Report:**

- January 4, 1996: Del Villar reported a conspiracy involving overpricing trucks purchased by the Company, implicating Director Edgardo I. San Juan and Jose L. Pineda, Jr.

4. **Reorganization and Realignment:**

- In 1996: The Company reorganized the Business Logistic Directorate. Del Villar's Transportation Services Manager role was merged, and Nathaniel L. Evangelista was appointed Corporate Transportation and Refrigeration Services Manager.
- May 1, 1996: Del Villar was reassigned as Staff Assistant to Pineda.

5. **Alleged Demotion:**

- July 8, 1996: Del Villar received a memo from San Juan about his designation as Staff Assistant, losing his benefits.

6. **Filing Complaint:**

- November 11, 1996: Del Villar filed a complaint against the Company and several officials for illegal demotion and forfeiture of company privileges.

7. **Labor Arbiter Proceedings:**

- Company failed to appear at the preliminary conference and moved to dismiss the complaint on the grounds of no cause of action.

8. **Labor Arbiter Decision:**

- March 3, 1998: Ruled in Del Villar's favor, finding bad faith in the Company's actions and

awarded Del Villar various damages.

9. **NLRC Appeal:**

- February 26, 1999: NLRC reversed the Labor Arbiter's decision, siding with the Company.

10. **Court of Appeals:**

- Del Villar filed a petition for certiorari. The CA found the NLRC guilty of grave abuse, reinstating the Labor Arbiter's decision but moderated damages.

11. **Supreme Court Petition:**

- The Company petitioned the Supreme Court to reverse the CA's decision.

Issues:

1. **Timeliness of Certiorari Petition:**

- Whether the Certiorari Petition filed by Del Villar with the CA was out of time.

2. **Grave Abuse of Discretion by NLRC:**

- Whether the NLRC committed grave abuse of discretion in its decisions denying Del Villar's claims of demotion and finding no bad faith on the Company's part.

3. **Constructive Dismissal and Demotion:**

- Whether Del Villar was demoted and subjected to constructive dismissal without justifiable cause.

4. **Damages and Remedies:**

- Whether the awarding of moral and exemplary damages, as well as backwages and other compensation, was proper and justified.

Court's Decision:

Resolution of Issues:

1. **Timeliness of Certiorari Petition:**

- The Supreme Court deemed Del Villar's petition timely filed under the rules. Circular No. 56-2000 was applied retroactively, allowing Del Villar a fresh 60-day period from notice of the denial of his motion for reconsideration.

2. **Grave Abuse of Discretion by NLRC:**

- The CA correctly issued certiorari. The NLRC indeed overlooked indicators pointing to bad faith by the Company. Del Villar was not reassigned equitably but rather demoted, implying

bad faith.

3. **Constructive Dismissal and Demotion:**

- Del Villar's change in position constituted demotion due to loss of benefits, meaningful work, and being placed under the supervision of an implicated official. The Supreme Court held the Company liable for constructive dismissal.

4. **Damages and Remedies:**

- The Supreme Court upheld the CA's decision on awarding moral and exemplary damages but reduced them to P100,000.00 and P50,000.00 respectively. Del Villar was also entitled to backwages from the date of his illegal dismissal until final judgment.

Doctrine:

- **Constructive Dismissal Doctrine:** Transfer or demotion involving loss of rank, benefits, or responsibilities, especially due to bad faith, can constitute constructive dismissal.
- **Management Prerogative Limitation:** Employers' right to reorganize or transfer employees must be exercised fairly, justly, and in good faith, without resulting in demotion or diminished benefits unless justified.
- **Redundancy and Reorganization:** Claims of redundancy should be supported by substantive proof and compliance with procedural requirements, such as notice to the DOLE.

Class Notes:

1. **Constructive Dismissal:**

- Occurs when continued employment becomes unreasonable or untenable due to the employer's discriminatory actions or bad faith.
- Reference: Philippine Japan Active Carbon Corp. v. NLRC, G.R. 83239.

2. **Management Prerogative:**

- Valid exercise involves no demotion or reduction in salary and must not be discriminatory or in bad faith.
- Case Reference: Blue Dairy Corp. v. NLRC.

3. **Award of Damages in Labor Cases:**

- Reparations for moral and exemplary damages in cases involving bad-faith terminations are allowable.
- Legal Basis: Article 220 of the Civil Code.

4. **Procedural Computation in Filing Petitions (Rule 65):**

- Timeliness of filing for certiorari counts from denial of reconsideration.
- Source: Supreme Court Circular No. 56-2000.

Historical Background:

- This case reflects the broader labor practices within major corporations in the Philippines, highlighting issues of management prerogatives and employees' rights. It demonstrates the judiciary's role in safeguarding fair employment practices and balancing management's operational needs with employees' rights against prejudicial or bad-faith actions.