

**CANLUBANG PLANT COCA-COLA EMPLOYEES UNION (CPCCEU),
BRENDON N. ENRIQUEZ, JUNAR S. TORRES, ALLAN L. ESPARAGO,
CARLITO V. MARTINEZ, MIGUEL JAHSON M. ARUELO, RONALDO L.
RAYOS, CEASA...**

Ponente: CORALES, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/2d9a2ee8bd78/>

CORALES, J.:

This is a Petition for Certiorari^[1] under Rule 65 of the Rules of Court seeking the annulment of the January 31, 2013^[2] and March 12, 2013^[3] Resolutions of the National Labor Relations Commission (NLRC) in NLRC CN. RAB-IV-06-05297-11-L. The first assailed Resolution denied petitioners' appeal from the July 10, 2012 Decision^[4] of the Labor Arbiter which dismissed their consolidated complaints for payment of bonuses and attorney's fees against private respondents Coca-Cola Bottlers Philippines, Inc. (CCBPI) and Bill Schultz (Schultz). The second Resolution denied petitioners' subsequent motion for reconsideration.

The Antecedents

CCBPI is a corporation engaged in the business of production, sale, marketing, and distribution of carbonated drinks and other beverage items all over the Philippines. At the time material to the controversy, Schultz is the President of CCBPI.

On the other hand, petitioner Canlubang Plant Coca-Cola Employees Union is the sole and exclusive bargaining agent of the following regular rank and file employees of CCBPI: Brendon N. Enriquez, Junar S. Torres, Allan L. Esparago, Carlito V. Martinez, Miguel Jahson M. Aruelo, Ronaldo L. Rayos, Ceasar M. Marana, Romeo P. Reynoso, Hendrix John G. De Jesus, Marvin E. Habana, Christopher T. Pernez, Lito G. De Sola, Robert S. Austria, Arnel Mirana, Randy P. Canlobo, Danilo De Chavez Jr., Arman L. Castillo, Maximo P. Libang, Cesario A. Evangelista, Jeruel N. Gonzales, Dominic L. Leus, Enrico G. Junio, Albert F. Resuma, Richard M. Zamora, Jose Emmanuel Lasian, Rabel Monteverde, Elmar B. Centeno, Herminio N. Lopez, Normandee L. Refugio, Rosie S. Del Mundo, Bernard P. Peralta, Crisanto Panghulan, Noel N. Aldabe, Gregorio D. Ladra, Francis T. Nahial, Aries L. Mercado, Dennis P. Briones, Ronald V. Mendoza, Rene G. Leus, Franklin G. Paga, Gabriel D. Capale, Rhodel B. Gotiongco, Warnel R. Basilisco, Dionicio C. Capacio, Roldan L. Ramos, Gilbert G. Gonzales, Raul V. Panghulan, Cary Clark M. Buendia, Romando B. Pascua, Daniel M. Tarcatecan, Anthony P. Ocampo II, Armando Q. Quiroz, Romel G. Cruz, Jesse S. Llanto, Teodoro D. Anduque Jr., Alberto P. Zulueta, Ramil B. Panghulan, Joseph R. Retanan, Erwin B. Bulaclac, Michael M. Saba, Bryan M. Natividad, Dondon M. Aquino, Gil C. Dela Pena, Jonathan B. Ordonez, Arnel C. Manalang, Ryan L. Garcia, Dennis A. Regodon, Julius S. Franco, Arthur M. Barilamat, Aries Desalla Mercado, Resty M. Ladra, Nelson P. Manaig, Shalako P. Arelas, Johndirk M. Carino, Fortunato P. Rubio, Kristian A. Nova, Victor L. Terrible, Vidal P. Pagcaliwagan, Noel C. Tiongco, Felix A. Lizardo, Rona Lyn C. Reano, Dindo V. Pineda, Nelson C. Lopez, Abundio G. Saba, Ismael L. Leus, Joselito L. Evangelista, Val E. Villarico, John Barra, Mariane Macaraig, Wency Pioquid, Sebastian Macaraig, Jheric Francia, Enrique Reyes, Norman M. Castro, and Anselmo G. Logo (collectively referred as Canlubang Plant Employees).

In 1997 and 2002 to 2007, CCBPI granted various incentives or bonuses to its employees, to wit:

Date Bonus Recipients Computation

11/26/97 One-Time Grant[5]

Monthly paid, non-commission earning personnel; and Sales Office In-Charge

80% of basic salary rate

Monthly paid, commission earning personnel

80% of basic salary rate plus 80% of average monthly sales commission for the past 12 months immediately preceding month of the grant of this incentive

Daily paid personnel

80% of resulting monthly rate after conversion of daily rate

Monthly paid, non-commission and commission earning, and daily paid personnel with less than 12 months of permanent and regular service

Number of days employee reported for work since permanency/regu-larization

06/02/02 One-Time Economic Assistance[6]

All regular employees except officers with the designation of Associate Vice President (AVP) and above

One-half (½) month of basic salary or P40,000, whichever is lower

11/05/02 One-Time Gift[7] All CCBPI regular employees as of November 8, 2002

Non-commission Earning Personnel

(Monthly basic rate as of December 1, 2002) x (75% daily rate as of December 1, 2002) x 30 x 75%

Commission Earning Personnel

(Monthly basic rate as of December 1, 2002) + (average monthly commission from January 1, 2001 to November 30, 2002) x 75%

06/27/03 One-Time Economic Assistance[8]

All regular employees, except officers with the designation of AVP and above, whose guaranteed pay is up to 13 months only

One-half (½) month of basic salary or P50,000, whichever is lower

06/25/04 One-Time Economic Assistance[9]

All regular Philippine-based rank-and-file employees of San Miguel Group (SMG) whose guaranteed pay is up to 13 months only

One-half (½) month of basic salary or P20,000, whichever is lower

12/02/04 One-Time Gift[10]

All Philippine-based regular employees of wholly-owned and/or managed companies of SMG as of December 2, 2004

75% of basic monthly pay plus P5,000 worth of various gift certificates

12/02/05 One-Time Christmas Gift[11]

All Philippine-based regular employees as of December 1, 2005

SMC gift certificates valued at P7,000 and cash equivalent to 50% basic monthly pay or P50,000, whichever is lower

11/17/06 One-Time Gift[12]

All Philippine-based regular employees of wholly-owned and/or managed companies of SMG as of December 1, 2006

50% of basic monthly pay plus gift certificates valued at P6,000

12/07/07 One-Time Transition Bonus[13]

Associates who are on regular status as of December 1, 2007

One-month pro-rated base pay

In the same Inter-Office Memorandum granting the One-Time Transition Bonus,[14] CCBPI declared that beginning 2008, all bonuses other than the 13[th] month pay will be replaced by an individual and/or department incentive program based on specific performance metrics. Accordingly, it issued on December 19, 2008 an Inter-Office Memorandum entitled Rationalization of Fixed Bonuses Other Than 13[th] Month,[15] informing its employees that no other bonuses will be granted by the company other than those provided under a specific individual and/or department incentive pay scheme.

Two (2) years after the implementation of the rationalization of bonuses, the Canlubang Plant Employees filed before the Labor Arbiter a complaint for non-payment of bonuses for 2008 to 2011. They alleged in their position paper[16] that CCBPI's act of granting bonuses to its employees ripened into a company practice, having been consistently and deliberately made since 2002. However, it was unilaterally withdrawn in 2008 which constituted a clear violation of the prohibition on non-diminution of benefits under Article 100 of the Labor Code of the Philippines.

CCBPI countered that the gratuitous remunerations received by its employees merely constitute a "one-time" economic assistance, gift or bonus which were not uniformly and deliberately given as shown by the following factors: different amounts were granted each year with the inclusion of gift certificates; the recipients were not limited to a particular group; and the rationale for the grant of the said amounts varied each year. It argued that in the absence of such fixed amount or nature in the payment of the past disbursements, the grant of bonuses could not be considered a company practice, thus, the employees have no enforceable right over the same and the principle of non-diminution of benefits is inapplicable.[17]

For his part, Schultz invoked the rule that "a corporate officer could not be held personally liable for his official acts unless it is shown that he has exceeded his authority or acted in bad faith". He contended that Canlubang Plant Employees did not cite any specific act which would show his bad faith.[18]

CCBPI's complaint was later on consolidated with the other complaints for non-payment of bonuses filed by Jeffrey Nido (Jeffrey), et al., Darwin Sumagui (Darwin), et al., and Archibald Nido (Archibald), et al. against CCBPI.[19]

The Rulings of the Labor Arbiter and the NLRC

On July 10, 2012, the Labor Arbiter rendered a Decision[20] dismissing the consolidated complaints of Canlubang Plant Employees, Jeffrey, et al., Darwin, et al., and Archibald, et al. The Decision stressed that the various grants, assistance, gifts or bonuses granted by CCBPI were acts of kindness or liberality and the same did not ripen into an established company practice considering that the bonuses were not part of the employees' salaries and the amounts given, the recipients, and the reason for the grant varied from time to time. As such, CCBPI's employees do not have a demandable right over the previous benefits given by the company. The dispositive portion of the Decision reads:

WHEREFORE, premises considered, judgment is hereby rendered DISMISSING the instant consolidated complaints for lack of merit.

SO ORDERED. (Emphasis appears in the original text of the Decision)

On appeal, the NLRC sustained the findings of the Labor Arbiter through the assailed January 31, 2013 Resolution.[21] It also found that the amounts, recipients, and reason for the grant of bonuses differed from year to year, i.e., the bonuses were not always in cash but included gift certificates in various amounts, no specific group of employees benefited from the grant, and the bonuses were given either to provide financial assistance, or in the spirit of Christmas, or in implementation of an incentive program of the company. It then disposed the case as follows:

WHEREFORE, premises considered, the appeal filed by complainants is hereby DENIED for lack or merit.

SO ORDERED.

Canlubang Plant Employees, Jeffrey, et al., Darwin, et al., and Archibald, et al. separately moved for reconsideration but the NLRC denied the same through its March 12, 2013 Resolution.[22]

Unfazed, Canlubang Plant Employees filed this petition for certiorari arguing that:[23]

THE NLRC COMMITTED (sic) GRAVE ABUSE OF DISCRETION WHEN IT FAILED TO RECOGNIZE THAT PRIVATE RESPONDENTS' GRANT OF ECONOMIC ASSISTANCE AND YEAR-END GIFT HAD RIPEN INTO COMPANY PRACTICE PURSUANT TO ESTABLISHED JURISPRUDENCE.

Canlubang Plant Employees reiterate the arguments they raised before the Labor Arbiter and NLRC. They cite several jurisprudence on non-diminution of bonuses which already ripened into company practice and argue that the NLRC committed grave abuse of discretion in not applying the ruling therein. They further insist that the economic assistance and year-end gifts granted by CCBPI ripened into a company practice as these benefits were consistently and deliberately given for six (6) years since 2002 and even CCBPI admitted that the same were fixed bonuses as shown by the December 19, 2008 Inter-Office Memorandum pertaining to the rationalization of "fixed bonuses" other than the 13[th] month pay.[24]

In defense of the assailed decision, CCBPI invokes the case of *American Wire and Cable Daily Rated Employees Union v. American Wire and Cable Co., Inc.*[25] wherein the Supreme Court held that a bonus becomes a demandable right when it is granted by express agreement by the employer and employees, or when a fixed amount of bonus had been a long and regular practice on the part of the employer. It argues that none of the said circumstances is present in this case because there is neither any agreement between the company and its employees as to payment of economic assistance or Christmas gift or any other kind of bonus on a yearly basis nor a fixed amount of bonus consistently and deliberately given to the employees. It challenges the application of the cases cited by Canlubang Plant Employees and brings to Our attention the September 27, 2012 Decision[26] of the former Thirteenth Division of this Court in CA-G.R. No. 124227 affirming the findings of the NLRC that the one-time gift, assistance, or bonus given by CCBPI to its employees in the San Fernando Plant do not form

part of their wages and were not established company practice.[27]

On September 13, 2015, CCBPI filed a Manifestation[28] informing Us of the July 10, 2013 Resolution[29] of the Supreme Court in G.R. No. 206506 entitled San Fernando Coca-Cola Rank & File Union [SACORU] and CCBPI San Fernando Plant Employees v. Coca-Cola Bottlers Phils., Inc. which denied the petition for review filed by the CCBPI's employees in the San Fernando Plant for failure to show any reversible error in the September 27, 2012 Decision of this Court in CA-G.R. SP No. 124227.

This Court's Ruling

The petition is devoid of merit.

A petition for certiorari under Rule 65 of the Rules of Court is confined to the correction of errors of jurisdiction and will not issue absent a showing of a capricious and whimsical exercise of judgment, equivalent to lack of jurisdiction. The prerogative of writ of certiorari does not lie except to correct a grave abuse of discretion,[30] not just mere errors of fact or law. Thus, the petitioners must be able to show grave, not just ordinary, abuse of discretion which exists where an act of a court or tribunal is performed with a capricious or whimsical exercise of judgment equivalent to lack of jurisdiction, or where the power is exercised in an arbitrary or despotic manner by reason of passion or personal hostility which must be so patent and gross as to amount to an invasion of positive duty or to a virtual refusal to perform the duty enjoined or to act at all in contemplation of law.[31]

There is nothing in this case which would indicate grave abuse of discretion on the part of the NLRC in affirming the Labor Arbiter's decision. The NLRC reviewed the rationale of the Labor Arbiter's decision and applied the proper case law when it held that the one-time gift, assistance, or bonus granted by CCBPI did not ripen into company practice. This conclusion is supported by substantial evidence, thus, entitled to great respect and considered final.[32] Accordingly, the impropriety of this conclusion, as perceived by petitioners, cannot be the subject of a petition for certiorari. If ever there was indeed an error committed by the NLRC in its appreciation of the facts and the subsequent conclusions it reached, such would be, at the least, an error of fact which is not equivalent to grave abuse of discretion. It bears stressing that the special civil action for certiorari is a remedy designed for the correction of errors of jurisdiction and not errors of judgment. The *raison d'être* for the rule is when a court exercises its jurisdiction, an error committed while so engaged does not deprive it of the jurisdiction being exercised when the error is committed. If it did, every error committed by a court would deprive it of its jurisdiction and every erroneous judgment would be a void judgment. Hence, where the issue or question involved affects the wisdom or legal soundness of the decision - not the jurisdiction of the court to render the decision – as in this case, the same is beyond the province of a special civil action for certiorari.[33]

At any rate, We do not find any cogent reason to deviate from the NLRC's conclusion.

No Diminution of Benefits

Diminution of benefits is the unilateral withdrawal by the employer of benefits already enjoyed by the employees. There is diminution of benefits when it is shown that: (1) the grant or benefit is founded on a policy or has ripened into a practice over a long period of time; (2) the practice is consistent and deliberate; (3) the practice is not due to error in the construction or application of a doubtful or difficult question of law; and (4) the diminution or discontinuance is done unilaterally by the employer.[34]

In the present case, records are bereft of evidence showing that the one-time assistance, gift, or bonuses granted by CCBPI were part of the employees' salaries or that the same constitute an established company practice. The test or rationale of the rule on long practice requires an indubitable showing that the employer agreed to continue giving the benefits knowing fully well that said employees are not covered by the law requiring payment thereof.

The benefit must be characterized by regularity, voluntary and deliberate intent of the employer to grant the benefits over a significant period of time.[35] As shown by the various guidelines, letters, and inter-office memoranda[36] for the years 1997 and 2002 to 2007, CCBPI conscientiously informed its employees that the bonuses were for “one-time” only. It even designated the grant of the benefits as “one-time grant”, “one-time economic assistance”, “one-time gift”, “one-time Christmas gift” or “one-time transition bonus” which negates any intention to make the said grants permanent. It is also worthy to note that the bonuses from 2002 to 2007 varied not only in the amount and date given but more importantly in purpose. In 1997, a one-time gift was awarded to all employees which was repeated only in 2002 involving a lesser amount. When a joint venture with San Miguel Group was undertaken by the company, only the regular employees received a one-time gift for 2004 to 2006 and again, the amount fluctuated from 75% of the basic monthly pay plus P5,000.00 worth of gift certificates in 2004 to only 50% of the basic salary plus P7,000.00 gift certificates or P50,000.00, whichever is lower, in 2005. These circumstances justify the NLRC's adherence to the ruling in the American Wire case[37] where the Supreme Court emphasized that “a downtrend in the grant of bonuses over the years demonstrates the absence of consistency” which is the primordial consideration in determining whether or not a bonus is part of the employee's wage or compensation.

This Court cannot also disregard the judgment in CA-G.R. SP No. 124227 which involved the same facts, issues, causes of action, and applicable laws as in this case. We held therein that the bonuses characterized as “one-time” only is a mere act of ex gratia to aid the financial needs of the employees and CCBPI had no intent to make the same permanent. When the San Fernando Plant assailed the ruling in CA-G.R. SP No. 124227, the Supreme Court dismissed the petition for review on certiorari through its July 10, 2013 Resolution for failure to show that a reversible error had been committed by this Court. As held in *Pepsico, Inc. v. Lacanilao*,[38] it is axiomatic that when a minute resolution denies a petition for lack of merit, the challenged decision, together with its findings of facts and legal conclusions, is deemed sustained. Accordingly, the judgment in CA-G.R. SP No. 124227, as affirmed by the Supreme Court, is a binding precedent in this case which We must adhere pursuant to the doctrine of stare decisis. Stand by the decision and disturb not what is settled. Stare decisis simply means that for the sake of certainty, a conclusion reached in one case should be applied to those that follow if the facts are substantially the same, even though the parties may be different.[39]

WHEREFORE, the instant petition for certiorari is hereby DENIED. The January 31, 2013 and March 12, 2013 Resolutions of the National Labor Relations Commission, Third Division, in NLRC CN. RAB-IV-06-05297-11-L are AFFIRMED in toto.

SO ORDERED.

Villon, J., Chairperson and Zalameda, JJ., concur.

[1] Rollo, pages 3-39.

[2] Penned by Commissioner Gregorio O. Bilog, III and concurred by Presiding Commissioner Alex A. Lopez and Commissioner Pablo C. Espiritu, Jr., *ibid.*, pages 40-53.

[3] *Ibid.*, pages 54-57.

[4] Penned by Labor Arbiter Enrico Angelo C. Portillo, *ibid.*, pages 273-286.

[5] See 1997 Guidelines for One-Time Grant, *ibid.*, pages 145-146.

[6] See June 2, 2002 CCBPI Inter-Office Memorandum, *ibid.*, page 147.

- [7] See November 5, 2002 CCBPI Inter-Office Memorandum, *ibid.*, page 148.
- [8] See June 27, 2003 Coca-Cola Beverage Group Inter-Office Memorandum, *ibid.*, page 149.
- [9] See June 25, 2004 San Miguel Corporation Memorandum, *ibid.*, page 150.
- [10] See December 2, 2004 San Miguel Corporation Inter-Office Memorandum, *ibid.*, pages 152-153.
- [11] See San Miguel Corporation Letter dated December 2, 2005, *ibid.*, page 154.
- [12] See San Miguel Corporation Letter dated November 17, 2006, *ibid.*, page 155.
- [13] See December 7, 2007 Coca-Cola Bottlers Philippines Inter-Office Memorandum, *ibid.*, page 156.
- [14] *Ibid.*
- [15] *Ibid.*, page 157.
- [16] *Ibid.*, pages 83-99.
- [17] See Position Paper, *ibid.*, pages 100-134.
- [18] *Ibid.*
- [19] See December 14, 2011 Order of Executive Labor Arbiter Generoso V. Santos, *ibid.*, page 82.
- [20] *Supra*, at note 4.
- [21] *Supra*, at note 2.
- [22] *Supra*, at note 3.
- [23] See page 15 of Petition for Certiorari, *supra*, at note 1.
- [24] See pages 3-39 of Petition for Certiorari, *ibid.*
- [25] G.R. No. 155059. April 29, 2005.
- [26] Penned by Associate Justice Isaias P. Dicdican and concurred by Associate Justices Michael P. Elbinias and Nina G. Antonio-Valenzuela, rollo, pages 510-523.
- [27] See Comment (on the Petition for Certiorari), *ibid.*, pages 478-508.
- [28] *Ibid.*, pages 528-534.
- [29] *Ibid.*, page 553.
- [30] See *Aujero v. Philippines Communication Satellite Corporation*, G.R. No. 193484. January 18, 2012.
- [31] See *VMC Rural Electric Service Cooperative, Inc. v. Court Of Appeals*. G.R. No. 153144. October 16, 2006.
- [32] See *Malayang Manggagawa ng Stayfast Phils., Inc. v. NLRC*, G.R. No. 155306. August 28, 2013.
- [33] *Ibid.*
- [34] *Supreme Steel Corporation v. Nagkakaisang Manggagawa ng Supreme Independent Union*, G.R. No. 185556. March 28, 2011.
- [35] *University of the East v. University of the East Employees' Association*, G.R. No. 179593. September 14, 2011.

[36] Supra, at notes 5 to 13.

[37] Supra, at note 25.

[38] G.R. No. 146007. June 15, 2006.

[39] See *Ty v. Banco Filipino Savings & Mortgage Bank*, G.R. No. 144705. November 15, 2005. See also *GSIS v. Buenviaje-Carreon*, G.R. No. 189529. August 10, 2012.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.