

COCA COLA BOTTLERS PHILS., INC., PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION, MARIO G. USTARIS, ANGELINO POSTRADO, JR., CHRISTOPHER ALLAN CAPUCION, EDWIN CUDEL DIEGO, RAJ...

Ponente: REYES, JR., J.C., J.

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REYES, JR., J.C., J.:

This petition for certiorari under Rule 65 of the Rules of Court was filed by Coca Cola Bottlers Phils., Inc. to assail the Decision dated April 19, 2012 and the Resolution dated September 28, 2012 of the National Labor Relations Commission (NLRC) in NLRC LAC NO. 09-002356-11 (NLRC SRAB IV Case No. 11-5209-10-L).

BACKGROUND

Coca Cola Bottlers Phils., Inc. (CCBPI) is a company that is well-known for its products - Coke, Sprite, and Cosmos. It has 23 plants and 42 sales offices, with over 7,800 direct employees all over the country.[1]

CCBPI started operations on June 1, 1981 as a joint venture of The Coca Cola Company (TCCC) and San Miguel Corporation (SMC). In July 1997, Coca Cola Amatil Ltd. (Amatil) of Australia acquired ownership of CCBPI under a stock swap agreement.[2] In July 2001, SMC officially reacquired CCBPI.[3] In 2007, after TCCC acquired all of SMC's shareholding in CCBPI, TCCC obtained full ownership of CCBPI. Thereafter, TCCC's Bottling Investment Group (BIG) led the management of CCBPI and its bottling operations.[4]

The private respondents herein who are regular rank-and-file employees of CCBPI, filed a complaint on November 25, 2011 against CCBPI and Bill Schultz (in his capacity as President of CCBPI). They alleged that there was diminution of their benefits as a result of CCBPI's failure to give them bonuses (other than their 13th month pay) in 2008, 2009 and 2010. They also asked for damages and attorney's fees. In their Position Paper[5], they alleged that "all workers of the Company, including herein complainants, regularly receive before the end of December of each year, a yearly bonus in the amount equivalent to up to their one-month salary." Four of the private respondents submitted their Sinumpaang Salaysay[6] where they claimed that they received a yearly bonus (in addition to their 13th month pay) that was abruptly stopped by CCBPI in 2008.

CCBPI alleges, on the other hand, that these bonuses were "one-time" bonuses or grants and not yearly bonuses as asserted by the private respondents. In its Position Paper, CCBPI stated[7]:

"In the instant case, however, the amounts granted to the employees by the previous management were of various amounts, consisted of cash and non-cash components and were generally granted to help the financial situation of the employees, xxx.

Based on the foregoing, it is readily apparent that there was no standard or specific formula in the payment of the disbursements. Thus, a disbursement can be a fixed figure as low as Twenty thousand Pesos (PhP 20,000.00) or a percentage of salary as high as eighty percent (80%) of the covered employee's monthly salary or it can be an amount which is lower of the two. The grant may also consist of cash following the various

rates and range of percentages, and/or a non-cash grant consisting of SMC gift certificates which also vary in amounts. More importantly, and particularly during the period when CCBPI was managed by the SMC, the recipients of the aforesaid various disbursements included all Philippine-based regular employees of the San Miguel group of companies and not just CCBPI. For these reasons, the payment of said bonuses cannot obviously be considered as a demandable right on the part of the CCBPI employees.”

Labor Arbiter Melchisedek A. Guan in his Decision dated June 29, 2011[8] held that there was diminution of benefits and ordered CCBPI to pay the private respondents their yearly bonuses from 2008 to 2010, each yearly bonus equivalent to their monthly pay multiplied by three, or a total of P2,478,005.40. He also ordered CCBPI to pay 10% attorney's fees amounting to P247,800.50.

CCBPI appealed to the NLRC but the NLRC in its Decision dated April 19, 2012 dismissed the appeal, saying that the giving by CCBPI of “economic assistance, gift or bonus” has ripened into a company practice and can no longer be withdrawn.[9] CCBPI's motion for reconsideration was also denied by the NLRC in its assailed September 28, 2012 Resolution.[10] Hence, this petition.

THE ISSUES

Petitioner CCBPI submits the following issues for our consideration:

I.

THE SO-CALLED YEARLY BONUS IS NOT AND WAS NEVER A PRODUCT OF A CONTRACTUAL AGREEMENT BETWEEN THE PARTIES, WHETHER IT BE THROUGH INDIVIDUAL EMPLOYMENT CONTRACTS OR THROUGH A COLLECTIVE BARGAINING AGREEMENT.

II.

NEITHER CAN THE SO-CALLED YEARLY BONUS BE CONSIDERED A DEMANDABLE BENEFIT BY VIRTUE OF A SUPPOSED COMPANY PRACTICE. CCBPI'S PREVIOUS GRANT OF “ONE-TIME” ECONOMIC ASSISTANCE, GIFT, OR TRANSITION BONUS DID NOT RIPEN INTO A COMPANY PRACTICE SINCE THEY WERE NOT CONSISTENTLY AND UNIFORMLY GIVEN TO ALL CCBPI EMPLOYEES. THUS, THE RULE ON NON-DIMINUTION OF BENEFITS DOES NOT APPLY TO THE INSTANT CASE.

III.

IN ANY EVENT, IT IS WELL TO NOTE THAT THIS HONORABLE COURT, THROUGH ITS THIRTEENTH (13TH) DIVISION, HAS ALREADY RULED IN THE SIMILAR CASE OF SAN FERNANDO COCA-COLA RANK & FILE UNION (SACORU), ET AL. V. NATIONAL LABOR RELATIONS COMMISSION (THIRD DIVISION), ET AL. THAT THE SO-CALLED YEARLY BONUS PREMISED ON THE PREVIOUS GRANT OF “ONE-TIME” ECONOMIC ASSISTANCE, CHRISTMAS GIFT OR BONUS HAS NOT RIPENED INTO A COMPANY PRACTICE AND IS THEREFORE NOT A DEMANDABLE RIGHT.

THE RULING OF THE COURT

In a petition for certiorari under Rule 65 of the Rules of Court, our review is limited to jurisdictional issues – either lack of jurisdiction or in excess of jurisdiction or grave abuse of discretion that amounts to lack or in excess of jurisdiction. The scope of a certiorari review is defined in *PMI Colleges vs National Labor Relations Commission*: [11]

“We merely declare that the extent of review of evidence we ordinarily provide in other cases is different when it is a special civil action of certiorari. The latter commands us to merely determine whether there is basis

established on record to support the findings of a tribunal and such findings meet the required quantum of proof, which in this instance, is substantial evidence. Our deference to the expertise acquired by quasi-judicial agencies and the limited scope granted to us in the exercise of certiorari jurisdiction restrain us from going so far as to probe into the correctness of a tribunal's evaluation of evidence, unless there is palpable mistake and complete disregard thereof in which case certiorari would be proper. In plain terms, in certiorari proceedings, we are concerned with mere 'errors of jurisdiction' and not 'errors of judgment.' Thus: 'The rule is settled that the original and exclusive jurisdiction of this Court to review a decision of respondent NLRC (or Executive Labor Arbiter as in this case) in a petition for certiorari under Rule 65 does not normally include an inquiry into the correctness of its evaluation of the evidence. Errors of judgment, as distinguished from errors of jurisdiction, are not within the province of a special civil action for certiorari, which is merely confined to issues of jurisdiction or grave abuse of discretion. It is thus incumbent upon petitioner to satisfactorily establish that respondent Commission or executive labor arbiter acted capriciously and whimsically in total disregard of evidence material to or even decisive of the controversy, in order that the extraordinary writ of certiorari will lie.'"

The main issue for our determination in this petition therefore, is whether the NLRC acted with grave abuse of discretion when it rendered its assailed Decision and Resolution. Our Supreme Court defined grave abuse of discretion in *Arguelles v. Young, et al.*[12] as follows:

"By 'grave abuse of discretion' is meant such capricious and whimsical exercise of judgment as is equivalent to lack of jurisdiction. It should not however, be overlooked that abuse of discretion alone is not sufficient. To warrant the issuance of the writ on that ground, the abuse of discretion must be grave as where the power is exercised in an arbitrary or despotic manner by reason of passion or personal hostility and must be so patent and gross as to amount to an evasion of positive duty or to a virtual refusal to perform the duty enjoined or to act at all in contemplation of law."

For a decision to be whimsical or capricious or rendered with grave abuse of discretion, there must be a lack of substantial evidence to support it[13], or the tribunal must have disregarded some vital evidence[14].

To prove the bonuses that they have received, the private respondents submitted the following payslips:

Employee

Date of Bonus

Name of Bonus

1. Ruben Justo

December 5, 2003

One-Time Gift[15]

2. Ronnie Merano

December 10, 2004

One-Time Gift[16]

3. Mario Ustaris

December 10, 2004

One-Time Gift[17]

4. Ruben Justo

December 6, 2005

One-Time Christmas Gift[18]

5. Ronnie Merano

December 6, 2005

One-Time Christmas Gift[19]

6. Ronnie Merano

December 8, 2006

One-Time Gift[20]

7. Ruben Justo

December 12, 2007

One-Time Bonus[21]

8. Ronnie Merano

December 12, 2007

One-Time Bonus[22]

Based on these payslips, it can be seen that CCBPI had given bonuses every December in 2003, 2004, 2005, 2006, and 2007.

As to the reason for these bonuses, CCBPI in its Position Paper,[23] attached the memoranda pertaining to these bonuses, among which are the following:

- On Coca Cola stationery dated November 26, 1997- “1997 One-Time Grant” .[24]
- On Coca Cola stationery dated November 5, 2002- “One-Time Gift”. [25]
- On San Miguel Corporation stationery dated December 2, 2004 - “One-Time Gift”, with this statement: “On behalf of your Board, we sincerely thank you for your support and dedication.” [26]
- On San Miguel Corporation stationery dated December 2, 2005 - “One-Time Christmas Gift”, with this statement: “In behalf of your Board, Management wishes to thank you for your continued support and dedication this past year.” [27]
- On San Miguel Corporation stationery dated November 17, 2006 - “One-Time Gift”, with this statement: “On behalf of your Board, I sincerely thank you once again for all your support and dedication this past year.” [28]
- On Coca Cola stationery dated December 7, 2007- “One-Time Transition Bonus”, with this statement: “Please keep in mind that although we have made significant progress during this transition year, the road ahead holds many challenges. We need your continued focus and efforts to ensure we again exceed our 2008 targets. Thank you again for your ongoing passion and commitment towards making our vision a reality. Through your extra efforts we are becoming the best customer focused organization in the Philippines.” [29]

CCBPI in all these memoranda, never mentioned that the bonuses were given by reason of the profits realized by

the company or because of the performance of the employee. Instead, these bonuses were given as a way of thanking the employees for their “support and dedication” as well as “passion and commitment”.

What is a bonus? Our Supreme Court recently defined it in the case of *Galicto vs. Aquino III, et al.*[30]:

“A bonus is not a demandable and enforceable obligation. By definition, a “bonus” is a gratuity or act of liberality of the giver which cannot be demanded as a matter of right by the recipient. It is something given in addition to what is ordinarily received by or strictly due to the recipient. The grant thereof is basically a management prerogative which cannot be forced upon the employer who may not be obliged to assume the onerous burden of granting bonuses or other benefits aside from the employee's basic salaries or wages, especially so if it is incapable of doing so. Thus, there can be no oppression to speak of even if these privileges (bonuses, allowances and incentives) cease to be given.”

A bonus can be enforceable if it had been promised by the employer and expressly agreed upon by the parties.[31] However, the giving of a bonus can ripen into a “company practice” when it has been done for a certain length of time, in which case, it can become demandable by the employees. As explained in *Eastern Telecommunications Philippines, Inc. vs. Eastern Telecoms Employees Union*[32], to be considered a company practice, the giving of the bonus should have been done over a long period of time, and must be shown to have been consistent and deliberate, with an indubitable showing that the employer agreed to continue giving the benefits knowing fully well that the employees are not covered by law requiring its payment. In that case, the records showed that the company “aside from complying with the regular 13th month bonus, has been further giving its employees 14th month bonus every April as well as 15th and 16th month bonuses every December of the year without fail, from 1975 to 2002 or for 27 years whether it earned profits or not, xxx (that) indicates a unilateral and voluntary act on its part to continue giving said benefits knowing that such act was not required by law.”

Other recent cases where the Supreme Court held that an employer's voluntary act had ripened into a company practice are summarized in *Honda Phils., Inc. vs. Samahan ng Malayang Manggagawa sa Honda*[33]:

“The case of *Davao Fruits Corporation v. Associated Labor Unions, et al.* presented an example of a voluntary act of the employer that has ripened into a company practice. In that case, the employer, from 1975 to 1981, freely and continuously included in the computation of the 13th month pay those items that were expressly excluded by the law. We have held that this act, which was favorable to the employees though not conforming to law, has ripened into a practice and therefore can no longer be withdrawn, reduced, diminished, discontinued or eliminated. Furthermore, in *Sevilla Trading Company v. Semana*, we stated:

With regard to the length of time the company practice should have been exercised to constitute voluntary employer practice which cannot be unilaterally withdrawn by the employer, we hold that jurisprudence has not laid down any rule requiring a specific minimum number of years. In the above quoted case of *Davao Fruits Corporation vs. Associated Labor Unions*, the company practice lasted for six (6) years. In another case, *Davao Integrated Port Stevedoring Services vs. Abarquez*, the employer, for three (3) years and nine (9) months, approved the commutation to cash of the unenjoyed portion of the sick leave with pay benefits of its intermittent workers. While in *Tiangco vs. Leogardo, Jr.* the employer carried on the practice of giving a fixed monthly emergency allowance from November 1976 to February 1980, or three (3) years and four (4) months. In all these cases, this Court held that the grant of these benefits has ripened into company practice or policy which cannot be peremptorily withdrawn. In the case at bar, petitioner *Sevilla Trading* kept the practice of including non-basic benefits such as paid leaves for unused sick leave and vacation leave in the computation of their 13th-month pay for at least two (2) years. This, we rule likewise constitutes voluntary employer practice which cannot be unilaterally withdrawn by the employer without violating Art. 100 of the Labor Code.”

In the case at bar, CCBPI had been giving Christmas bonuses to its employees every year from 2003 to 2007 as evidenced by the payslips and the *Sinumpaang Salaysay*. CCBPI however, argues that during the years 2004,

2005, and 2006, it was SMC (the company that owned CCBPI at that time) that gave the bonuses. Suffice it to say that the memoranda covering those bonuses gave no condition at all for the giving of the bonus - either as to the availability of the funds or the presence of profits, or because of the employee's performance. This is an indication that the bonuses were given out of liberality by SMC/CCBPI since the memoranda covering these bonuses all stated that the Board was thanking the employee for his support and dedication.

CCBPI further argues that the bonuses were all called "one-time" gift/bonus which means that they were given only once. The fact however is, despite the "one-time" title of the bonus, it was given yearly every December from 2003 to 2007.

Based on these facts, the right of CCBPI workers to the yearly bonus had ripened into a company practice. The NLRC in its assailed Decision, relied on the case of *Meralco vs. Secretary of Labor*[34] that states partly as follows:

"1. CHRISTMAS BONUS

xxx

In the case at bar, the record shows that MERALCO, aside from complying with the regular 13th month bonus, has further been giving its employees an additional Christmas bonus at the tail-end of the year since 1988. While the special bonuses differed in amount and bore different titles, it can not be denied that these were given voluntarily and continuously on or about Christmas time. The considerable length of time MERALCO has been giving the special grants to its employees indicates a unilateral and voluntary act on its part, to continue giving said benefits knowing that such act was not required by law.

Indeed, a company practice favorable to the employees has been established and the payments made by MERALCO pursuant thereto ripened into benefits enjoyed by the employees. Consequently, the giving of the special bonus can no longer be withdrawn by the company as this would amount to a diminution of the employee's existing benefits."

The following are the last paragraphs of the assailed NLRC Decision:

"Having elucidated and established that the MERALCO case is the controlling jurisprudence in the case at bar, it is now an indubitable fact that the disbursements and payments of one-time economic assistance, gift or bonus made by respondent CCBPI to its employees has ripened into a company practice. Accordingly, the giving of the said benefits can no longer be withdrawn by respondent company as this would amount to a diminution of the employee's existing benefits.

On the adoption by the Labor Arbiter of the one-month pro-rated base pay when the one-time transition bonus was granted in December 2007, as the basis for awarding the yearly bonus of complainants for years 2008 to 2010, we find it as sufficient, this being merely a generous act on the part of the respondent company. As held in the MERALCO case, the award by the Secretary of Labor of a two-month special Christmas bonus to the employees was not affirmed since there was no recognized company practice of giving a two-month special grant. Instead, a one-month special bonus was granted, it being sufficient and generous on the part of MERALCO.

As regards the manifestation of respondents to take judicial notice of the Decisions rendered by the Executive Labor Arbiter of La Union and the Third Division of this Commission regarding cases involving the same cause of actions and reliefs, we sustain the ruling of the Labor Arbiter that labor arbitration branches are co-equal bodies such that the opinion of one cannot affect the judgment of the other.

WHEREFORE, premises considered, the instant appeal is hereby DISMISSED for lack of merit and the appealed Decision of the Labor Arbiter is AFFIRMED in toto.

SO ORDERED.”

In dismissing CCBPI's appeal, the NLRC cannot be said to have acted with grave abuse of discretion for the following reasons: First, the NLRC decision was based on evidence that the parties submitted - the payslips and the Sinumpaang Salaysay proved the yearly bonus payments which CCBPI did not deny. Second, the NLRC relied on jurisprudence citing the MERALCO ruling as its basis in upholding the decision of the Labor Arbiter.

On December 6, 2013, CCBPI filed a Manifestation^[35] regarding CA-G.R. SP NO.124227, entitled San Fernando Coca-Cola Rank & File Union (SACORU), et al. vs. National Labor Relations Commission [3rd Division], et al.. That case arose from a complaint that was filed by the CCBPI employees in San Fernando, La Union for non-payment of the same yearly bonus as in the instant case. The Supreme Court denied with finality the CCBPI employees' motion for reconsideration of the SC July 10, 2013 Resolution denying the CCBPI employees' petition for review on certiorari of the decision of the 13th Division of this Court. The CA 13th Division's Decision upheld the NLRC's reversal of the Labor Arbiter's finding that CCBPI had to pay the annual year-end bonus for 2008 and 2009. According to the CA 13th Division, the assailed NLRC Decision and Resolution did not appear to have been issued with grave abuse of discretion.^[36] The Supreme Court dismissed the CCBPI employees' petition for review on certiorari on the ground that the petition failed to show any reversible error in the assailed decision and resolution to warrant the exercise of the Court's discretionary appellate jurisdiction. ^[37]

CCBPI thus submits that this CA 13th Division case and the instant case present the same facts, involve the same issues, and ask for the same reliefs so that the doctrine of stare decisis et non quieta movere or “stand by the decisions and disturb not what is settled” is applicable in the instant case. Under the doctrine, when the Supreme Court has once laid down a principle of law as applicable to a certain state of facts, it will adhere to that principle, and apply it to all future cases, where facts are substantially the same; regardless of whether the parties and property are the same.^[38]

Contrary to CCBPI's claim, the principle of stare decisis is not applicable in this case. This is not an appeal where errors of law are subject to correction. Being a petition for certiorari, our review is limited to jurisdictional issues. Since the NLRC has jurisdiction over the issues in the instant case, and we find no grave abuse of discretion on the part of the NLRC when it rendered the assailed decision and resolution, the petition has to be dismissed. As enunciated by our Supreme Court in *Madrigal Transport, Inc. vs. Lapanday Holdings Corp, et al.*: ^[39]

The supervisory jurisdiction of a court over the issuance of a writ of certiorari cannot be exercised for the purpose of reviewing the intrinsic correctness of a judgment of the lower court — on the basis either of the law or the facts of the case, or of the wisdom or legal soundness of the decision. Even if the findings of the court are incorrect, as long as it has jurisdiction over the case, such correction is normally beyond the province of certiorari. Where the error is not one of jurisdiction, but of an error of law or fact — a mistake of judgment — appeal is the remedy.

WHEREFORE, premises considered, the petition for certiorari is DISMISSED for lack of merit. The assailed NLRC Decision dated April 19, 2012 and the Resolution dated September 28, 2012 are hereby AFFIRMED.

SO ORDERED.

Lopez, M.V., and Inting, S.B., JJ., concur.

[1] http://en.m.wikipedia.org/wiki/Coca-Cola_Bottlers_Philippines,_Inc.; last visited March 14, 2014.

- [2] Petition for Certiorari, Rollo, p. 9.
- [3] Ibid., pp. 9-10.
- [4] Ibid., p. 13.
- [5] Position Paper, Rollo, p. 235.
- [6] Rollo, pp. 258-261.
- [7] Ibid, pp. 197-199.
- [8] Rollo, pp. 90-108.
- [9] Decision dated April 19, 2012, Rollo, pp. 64-82.
- [10] Rollo, pp. 85-88.
- [11] GR No. 121466, August 15, 1997.
- [12] G.R. No. 59880, September 11, 1987.
- [13] Casa Cebuana Incorporada, et al. vs. Leuterio, G.R. No. 176040, September 4, 2009.
- [14] De Cardiente vs. Workmen's Compensation Commission, et al, G.R. No. L-43693, January 17, 1985.
- [15] Rollo, p. 262
- [16] Ibid., p. 264.
- [17] Ibid., p. 266.
- [18] Ibid., p. 262.
- [19] Ibid., p. 264.
- [20] Ibid., p. 265.
- [21] Ibid., p. 263.
- [22] Ibid., p. 265.
- [23] Ibid., pp. 181-205.
- [24] Ibid., pp. 216-218.
- [25] Ibid., p. 220.
- [26] Rollo, p. 223.
- [27] Ibid., p. 226.
- [28] Ibid., p. 227.
- [29] Ibid., p. 228.
- [30] G.R. No. 193978, February 28, 2012.
- [31] American Wire and Cable Daily Rated Employees Union v. American Wire and Cable Co., Inc., G.R. No. 155059, April 29, 2005.

[32] G.R. No. 185665, February 8, 2012.

[33] G.R. No. 145561, June 15, 2005.

[34] G.R. No. 127598, January 27, 1999.

[35] Rollo, pp. 694-696.

[36] Decision, Rollo, p.685.

[37] Rollo, p. 690.

[38] Abaria, et al. vs. NLRC, et al., G.R. No. 154113, 187778, 187861 & 196156, December 7, 2011.

[39] G.R. No. 156067, August 11, 2004.

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