

THE INSULAR LIFE ASSURANCE COMPANY, LTD. AND FGU INSURANCE GROUP, PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION, THE INSULAR LIFE ASSURANCE COMPANY, LTD. EMPLOYEES ASSOCI...

G.R. No. L-49071. April 17, 1985

Ponente: FERNANDO, C.J.

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FERNANDO, C.J.:

The bitter conflict between petitioners Insular Life Assurance Company, Ltd., and FGU Insurance Group against the labor organizations of their employees has not been laid to rest. Petitioners thus far have been waging a resolute but losing fight. This certiorari proceeding is no exception.

On May 7, 1977, in *Insular Life Assurance Co., Ltd., Employees Association-Natu v. Insular Life Assurance Co., Ltd.*,^[1] this Court, speaking through the late Chief Justice Castro, issued a clarificatory resolution on the question of whether or not the three (3) years backwages due the illegally dismissed employees shall be computed at the pay rates as of June 2, 1958 (date of the act of discrimination, that is, date of discharge) or the current pay rates for the positions similar or comparable to those previously held by the petitioners. Then, petitioners Insular Life Assurance Company, Ltd. and FGU Insurance Group, respondents in that case, "notified the petitioners-strikers to report back for work on June 2, 1958, which the latter did. A great number of them, however, were refused readmission because there were criminal charges against them pending in the fiscal's office, although non-strikers who were also facing criminal indictments were readily readmitted. These strikers who were refused readmission on June 2, 1958 can thus be categorized as discriminatorily dismissed employees as of such date and are entitled to backpay, as we so held. And, in line with the above ruling, the pay rates shall be those which the petitioners were actually receiving and being paid at the time of dismissal, i.e., June 2, 1958."^[2]

As stated in Chief Justice Castro's ponencia, there appearing "to be no impediment, legal or otherwise, to the immediate payment of the amounts due to the petitioners"^[3] in the concept of backwages, the resolution was declared final and immediately executory. In the process of implementing such resolution by respondent National Labor Relations Commission, a contempt proceeding was filed by counsel for respondent Unions.

After hearing the parties, respondent National Labor Relations Commission issued a resolution, the dispositive portion of which reads: "WHEREFORE, respondents Insular Life Assurance Co., Ltd. and FGU Insurance Group, by their respective Presidents Vicente R. Ayllon and Enrique Clemente, Jr. are hereby found guilty of contempt and an administrative fine of P500.00 is accordingly imposed upon them. They are also hereby ordered to pay: (a) Union members Florencio Ibarra, Pacifico Ner, Blas Ventura and Jose Castillon an amount equal to their daily salaries beginning May 16, 1977 until they are actually reinstated; and (b) All reinstated employees, by way of salary rates adjustment, taking into account their seniority which should be counted from the date of their initial hiring by the respondent companies to the present time, without interruption on account of their illegal dismissal, the difference between their present salaries and the salaries they should receive, the latter based on the actual pay

rates of the respondent companies' other employees with comparable seniority." [4]

Petitioners in this certiorari proceeding allege that respondent Commission erred "in ordering petitioners to pay the four (4) Union members Florencio Ibarra, Blas Ventura, Pacifico Ner and Jose Castillon 'an amount equal to their daily salaries beginning May 16, 1977 until they are actually reinstated,' in utter disregard of the fact that they had been retired upon reaching the age of sixty (60) years in 1963, 1970, 1974 and 1977, respectively. [It then alleged that it] erred in arbitrarily ordering petitioners to pay all the reinstated employees differential salaries 'by way of salary rates adjustment' on the basis of 'the actual pay rates of the respondent companies' other employees with comparable seniority' because this is an unwarranted deviation from the above cited final judgment of this Honorable Court. [Lastly, it contended that] respondent Commission erred in holding and penalizing petitioners, by their respective presidents, in contempt without any valid or justifiable case." [5]

Respondent Unions when required to comment stressed that the judgment of the Supreme Court having become final for sometime is no longer subject to alteration. According to such comment: "In effect, what petitioners would have respondent Commission do is to materially alter the Honorable Supreme Court's long-standing, final judgment by excluding from the benefit of its reinstatement order the 4 mentioned union members whom petitioners claim had already been previously retired. This, of course, respondent Commission is not legally authorized to do." [6] Respondent Unions on the second alleged error pointed out that "reinstatement presupposes continuity of employment relations; reinstated employees [are] entitled to benefits of employees with comparable seniority, particularly as regards salary rates." [7] Moreover, in the determination of salary wage adjustments: "Determination of salary rates adjustments based on comparable seniority [is] a minor accounting detail." [8] Respondent Unions maintained that the finding as to contempt should be upheld there being a palpable disobedience by petitioner to the order of this Court.

The comment of the Solicitor General for respondent National Labor Relations Commission on the first alleged error had this observation: "If the four were not dismissed, naturally upon retirement age they must go. But the peculiar facts of this case preclude their formal retirement. Upon the other hand, the majesty of the Supreme Court decision of reinstatement must be upheld. If it turns out that reinstatement is no longer feasible due to death, disability or old age, then the formality of retirement in case of old age ensues. Yet petitioners took it upon themselves to disregard the final decision of the Supreme Court, obviously taking advantage of a situation which after all was their own handiwork. Certainly a bad precedent will be inaugurated if we sustain the stand of petitioners. And so petitioners are guilty of contempt when the four were not reinstated." [9] The last sentence likewise would cover its refutation of the allegation that no contempt was committed. As to the payment of salary rates of reinstated employees after considering seniority rank, such comment relied on the pertinent provision of the law [10] where it was made clear that such an affirmative action will effectuate the policies of the Industrial Peace Act, the act enforced at the time this labor dispute arose providing for reinstatement as well as retention of the seniority rights of the employees. It could therefore conclude that "all the foregoing point to the affirmation of the decision of the NLRC." [11]

It thus clearly appears that the effort of petitioners to set aside and nullify the challenged resolution of respondent National Labor Relations Commission insofar as it would result in a departure from the Resolution of this Court of May 7, 1977 is unavailing. The finding, however, that the then respective Presidents Vicente R. Ayllon and Enrique Clemente, Jr. of both the Insular Life Assurance Co., Ltd. and the FGU Insurance Group being guilty of contempt with the penalty imposed of a fine of P500.00 in the resolution of respondent National Labor Relations Commission may be set aside.

1. This excerpt from *Reyes v. Commission on Elections* [12] is apropos: "The doctrine of 'the law of the case' identified as the opinion delivered in the former appeal is an insurmountable obstacle to this petition being

granted. 'More specifically,' according to *People v. Pinuila*, 'it means that whatever is once irrevocably established as the controlling legal rule of decision between the same parties in the same case continues to be the law of the case, whether correct on general principles or not, so long as the facts on which such decision was predicated continue to be the facts of the case before the Court. To the same effect is this holding in *Kabigting v. Director of Prisons*, the opinion coming from the then Justice, later Chief Justice, now speaker Makalintal: 'It need not be stated that the Supreme Court, being the Court of last resort, is the final arbiter of all legal questions properly brought before it and that its decision in any given case constitutes the law of that particular case.' Nowhere is there a more emphatic statement of such principle than in the ponencia of Justice J. B. L. Reyes in *People v. Olarte*. Thus: 'Suffice it to say that our ruling in Case L-13027, rendered on the first appeal, constitutes the law of the case, and even if erroneous, it may no longer be disturbed or modified since it has become final long ago.' The all-embracing scope of such a principle was duly noted in the latest case in point, *Festin v. Faderanga* in these words: 'What is express as well as what is implied in a decision is included, to be implemented faithfully, no circumvention or evasion being allowed.' "[13]

2. The above doctrine of the "law of the case" reiterated and affirmed in a host of decisions is controlling. The assailed resolution of respondent Labor Relations Commission ordered petitioners Insular Life Assurance Co., Ltd. and FGU Insurance Group "to pay: (a) Union members Florencio Ibarra, Pacifico Ner, Blas Ventura and Jose Castillon an amount equal to their daily salaries beginning May 6, 1977 until they are actually reinstated; and (b) All reinstated employees, by way of salary rates adjustment, taking into account their seniority which should be counted from the date of their initial hiring by the respondent companies to the present time, without interruption on account of their illegal dismissal, the difference between their present salaries and the salaries they should receive, the latter based on the actual pay rates of the respondent companies' other employees with comparable seniority." [14] The fact that as of May 16, 1977 Florencio Ibarra, Blas Ventura, Pacifico Ner and Jose Castillon had become retirable upon reaching the age of sixty (60) years does not militate against the execution of our resolution of May 7, 1977. They should have been reinstated. So the Industrial Peace Act commands. As they were then retirable, that would have been merely symbolic. They could then be retired. Nonetheless, as pointed out in the Comment of respondent Unions: "Reinstatement [is] essential not only as positive relief for wrong done but to erase [the] stigma of dishonorable dismissal." [15] Neither could there be any valid objection to the "reinstated employees, by way of salary rates adjustment, taking into account their seniority which should be counted from the date of their initial hiring by the respondent companies to the present time without interruption on account of their illegal dismissal, the difference between their present salaries and the salaries they should receive, the latter based on the actual pay rates of the respondent companies' other employees with comparable seniority." [16] As thus worded, respondent Labor Relations Commission merely complied with what the applicable provision of the Industrial Peace Act ordained. [17]

3. It would be, however, a departure from what had been finally decided if the four-above-named retirees after all these years of seeking vindication would not be entitled to any recompense. That is neither fair or just. Fortunately, on similar occasions, this Court has followed the formula set forth in *Feati University Faculty Club (PAFLU) v. Feati University*. [18] The award to which Florencio Ibarra, Pacifico Ner, Blas Ventura and Jose Castillon, are entitled is fixed at three years without deduction or qualification from the date of the finality of our resolution of May 7, 1977. [19] The same award should be given to the other employees who in the meanwhile could have reached the retirement age.

WHEREFORE, the assailed resolution is affirmed with the exception of that portion finding respondents Insular Life Assurance Co., Ltd. and FGU Insurance Group, by their respective Presidents Vicente R. Ayllon and Enrique Clemente, Jr., guilty of contempt and imposing them the administrative fine of P500.00. They are acquitted of the contempt charge. Costs against petitioners.

Makasiar, Abad Santos, Melencio-Herrera, Plana, Relova, Gutierrez, Jr., De la Fuente, Cuevas, and Alampay, JJ., concur.

Teehankee and Aquino, JJ., no part.

Concepcion, Jr., and Escolin, JJ., on leave.

[1] L-25291, May 5, 1977, 77 SCRA 3, citing *Davao Free Workers Front v. Court of Industrial Relations*, L-29356, October 27, 1975, 67 SCRA 418.

[2] *Ibid*, 5.

[3] *Ibid*.

[4] Annex A to Petition.

[5] Petition, 7-8.

[6] Comment of respondent Unions, 4.

[7] *Ibid*, 8.

[8] *Ibid*, 10.

[9] Comment of the Solicitor General, 3-4.

[10] Section 5(c), Republic Act No. 875.

[11] Comment of the Solicitor General, 5.

[12] *Reyes v. Commission on Elections*, G.R. No. 56385, May 19, 1984, 129 SCRA 286.

[13] *Ibid*, 290-291. *Pinuila* is reported in 103 Phil. 992 (1958); *Kabigting* in 116 Phil. 589 (1962); *Olarte*, L-22465 in 19 SCRA 494 (Feb. 28, 1967); *Festin*, G.R. No. 57371 in 11 SCRA 1 (Jan. 16, 1962).

[14] Annex A to Petition.

[15] Comment, 7.

[16] Annex A to Petition.

[17] Republic Act No. 875 (1953).

[18] L-31503, August 15, 1974, 58 SCRA 395.

[19] *Ibid*, 421. Since then, the following cases have adhered to such a rule: *E. Lim and Sons Manufacturers Inc. v. CIR*, L-39117, Sept. 25, 1975, 67 SCRA 124; *Davao Development Corp. v. NLRC*, L-40706-40707, Feb. 16, 1978, 81 SCRA 487; *L.R. Aguinaldo and Co., Inc. v. CIR*, L-31909, April 5, 1978, 82 SCRA 309; *Air Manila Inc. v. CIR*, L-39742, June 9, 1978, 83 SCRA 579; *Bachrach Motor Co., Inc. v. CIR*, L-26136, Oct. 30, 1978, 86 SCRA 27; *Liberty Cotton Mills Workers Union v. Liberty Cotton Mills, Inc.*, L-33987, May 31, 1979, 90 SCRA 391; *Citizens' League of Free Workers v. CIR*, L-38293, Feb. 21, 1980, 96 SCRA 225; *Kapisanan ng mga Manggagawa sa Camara Shoes v. Camara Shoes*, G.R. No. 50985, Jan. 30, 1982, 111 SCRA 477; *People's Industrial and Commercial Employees and Workers Organization v. People's Industrial and Commercial Corp.*, L-37687, March 15, 1982, 112 SCRA 440; *Yncoco v. Inciong*, L-49061, March 29, 1972, 113 SCRA 245; *National Labor Union v. CIR*, L-31276, Sept. 19, 1982, 116 SCRA 417; *Associated Anglo-American Tobacco Corp. v. Lazaro*, G.R. No. 63779, Oct. 27, 1983, 125 SCRA 463; *Philippine Airlines, Inc. v. NLRC*, G.R. No.

64809, Nov. 29, 1983, 126 SCRA 223; Union of Supervisors (RB) NATU v. Secretary of Labor, L-39889, March 29, 1984, 128 SCRA 442.

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