

PHILIPPINE NATIONAL BANK, PETITIONER, VS. GIOVANNI PALMA ET AL., RESPONDENTS.

G.R. NO. 157279. August 09, 2005

Ponente: PANGANIBAN, J.

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PANGANIBAN, J.:

During these tough economic times, this Court understands, and in fact sympathizes with, the plight of ordinary government employees. Whenever legally possible, it has bent over backwards to protect labor and favor it with additional economic advantages. In the present case, however, the Salary Standardization Law clearly provides that the claimed benefits shall continue to be granted only to employees who were "incumbents" as of July 1, 1989. Hence, much to its regret, the Court has no authority to reinvent or modify the law to extend those benefits even to employees hired after that date.

The Case

Before us is a Petition for Review on Certiorari[1] under Rule 45 of the Rules of Court, challenging the June 25, 2002 Decision[2] and the February 11, 2003 Resolution[3] of the Court of Appeals (CA) in CA-GR SP No. 63506. The assailed Decision disposed as follows:

"WHEREFORE, in view of the foregoing, the instant petition is hereby DENIED for lack of merit."[4]

Petitioner's Motion for Reconsideration was denied by the CA in its February 27, 2003 Resolution.

The Facts

The antecedents were summarized by the appellate court as follows:

"Republic Act No. 6758 (R.A. 6758), otherwise known as 'An Act Prescribing a Revised Compensation and Position Classification System in the Government and For Other Purposes,' took effect on 1 July 1989. Section 12 thereof provides for the consolidation of allowances and additional compensation into standardized salary rates, but certain additional compensation were exempted from consolidation.

"Section 12 of R.A. 6758 provides that:

'Section 12. - Consolidation of Allowance and Compensation. All allowances, except for representation and transportation allowances[;] clothing and laundry allowances[;] subsistence allowance of marine officers and crew on board government vessels and hospital personnel stationed abroad[;] and such other additional compensation not otherwise specified herein as may be determined by the DBM, shall be deemed included in the standardized salary rates herein prescribed. Such other additional compensation, whether in cash or in kind, being received by incumbents as of July 1, 1989 not integrated into the standardized salary rates shall continue to be authorized.'

"The Department of Budget and Management (DBM) issued Corporate Compensation Circular No. 10 (DBM-CCC No. 10) to implement R.A. 6758. Section 5.5 of DBM-CCC No. 10 enumerated the other

allowances/fringe benefits which are not likewise integrated into the basic salary rates prescribed under R.A. 6758, but were allowed to be continued only for incumbents as of 30 June 1989.

"Sec. 5.5 of DBM-CCC No. 10 states:

"5.5 Other allowances/fringe benefits not likewise integrated into the basic salary and allowed to be continued only for incumbents as of June 30, 1989 subject to the condition that the grant of the same is with appropriate authorization either from the DBM, Office of the President or legislative issuances are as follows:

5.5.1 Rice Subsidy;

5.5.2 Sugar Subsidy;

5.5.3 Death Benefits other than those granted

by the GSIS;

5.5.4 Medical/Dental/Optical allowances/

Benefits;

5.5.5 Children's Allowances;

5.5.6 Special Duty Pay/Allowance;

5.5.7 Meal Subsidy;

5.5.8 Longevity Pay; and

5.5.9 Teller's allowances.'

"Paragraph 5.6 of DBM-CCC No. 10 provides:

'Payment of other allowances/fringe benefits and all other forms of compensation granted on top of basic salary, whether in cash or in kind ' shall be discontinued effective November 1, 1989. Payment made for such allowances/fringe benefits after said date shall be considered as illegal disbursement of public funds.'

"On 12 August 1998, the Supreme Court[,] in the case of Rodolfo S. de Jesus, Edelwina de Parungao, Venus M. Dozon and other similarly situated personnel of the Local Water Utilities Administration (LWUA) -versus- Commission on Audit and Leonardo L. Jannoralin held that DBM-CCC No. 10 was ineffective due to its non-publication in the Official Gazette or in a newspaper of general circulation. Under Art. 2 of the New Civil Code of the Philippines, as amended by E.O. 200:

'Art. 2. Laws shall take effect after fifteen days following the completion of their publication either in the Official Gazette, or in a newspaper of general circulation in the Philippines, unless it is otherwise provided. This Code shall take effect one year after such publication.'

"In view of the declaration made by the Supreme Court in the above-mentioned case, a petition for mandamus was filed by [respondents] on 20 December 1999. [Respondents] alleged, among other things, that they are employees hired by PNB on various dates after 30 June 1989; that from the dates of their respective appointments until 1 January 1997 they were unjustly deprived and denied of the following allowances being enjoyed by other employees of the PNB:

- Meal Allowance;
- Rice Subsidy;
- Sugar Subsidy;
- Children's Allowance;
- Dental/Optical/Outpatient Benefits;

- Consolidated Medical Plan for Dependents;
- Commutation of Basic Hospitalization Benefit;
- Benefits under the revised PNB Medical and Hospitalization Plan; and
- Death Benefits.

"According to [respondents], the declaration that DBM-CCC No. 10 was ineffective paved the way to their entitlement to the foregoing allowances/fringe benefits. The withholding of their entitlement to the same benefits is an unfair discrimination and a violation of [respondents'] rights to [the] equal protection clause of the Constitution since incumbents or employees of PNB who were already in the service as of 1 July 1989 received the above-enumerated benefits and allowances. PNB erroneously interpreted Sec. 12 of R.A. No. 6758 to mean that employees appointed after 30 June 1989 are not entitled to the above-enumerated allowances and fringe benefits, whereas those who were already in the service as of 1 July 1989 and were receiving the same continue to be entitled thereto. [Respondents] contend that the word "only" under Sec.12 of R.A. [No.] 6758 which states that "[s]uch additional compensation, whether in cash or in kind, being received by incumbents only as of July 1, 1989 not integrated into the standardized salary rates shall continue to be authorized" does not refer to incumbents, but refers to the additional compensation that an employee can continue to receive.

"To rectify the injustice against [respondents], PNB passed Board Resolution No. 79 dated 19 June 1996, and issued General Circular No. 1-312/97 dated 14 March 1997, extending the above-enumerated benefits to [respondents] effective 1 January 1997. [Respondents] contend that extending to them the allowances/fringe benefits meant that they are entitled to the payment of the same and, hence, they should be given their allowances and benefits reckoned not only from 1 January 1997 but from the date of [respondents'] respective appointment or from 30 June 1989.

"[Petitioner] PNB, in [its] answer, denied the material allegations of [respondents'] complaint. PNB admitted that it was formerly a government owned and controlled corporation but on 26 May 1996, it was already privatized and incorporated as a private commercial bank and registered with the Securities and Exchange Commission. PNB, however, contends that [respondents] were never entitled to the said benefits and allowances under R.A. 6758. Under Sec. 12 of [R.A. No.] 6758, the DBM was expressly empowered to determine what other additional compensation, "being received by incumbents only as of July 1, 1989", shall not be integrated into the standardized salary rates and shall continue to be authorized. [Petitioner] alleged that in the case of *Philippine Ports Authority vs. Commission on Audit* and *MIAA vs. Commission on Audit*, the Supreme Court construed Sec. 12 of R.A. 6758 to mean that for purposes of determining who shall be entitled to such additional compensation, "the date July 1, 1989 becomes crucial only to determine that as of said date, the officer was an incumbent and was receiving the RATA, for purposes of entitling him to its continued grant." Following the jurisprudence on the matter, [respondents] not being incumbents as of 1 July 1989, were clearly not entitled to such other additional compensation provided under Section 5.5 of DBM-CCC No. 10.

"[Petitioner] further contends that since [respondents'] right (if any) to the allowances/benefits under Sec. 5.5 of DBM-CCC No. 10 is still debatable, mandamus is not the proper remedy. For the latter to be issued, it is essential that [respondents'] legal right to the thing demanded must be clear, well-defined and certain; that since the petition was filed only on 20 December 1999 the same was filed four (4) years and thirteen (13) days late, for mandamus must be filed within one (1) year from the accrual of the cause of action. In the case of [respondents], the date of the accrual of their cause of action was from the date of employment of the [respondent] who was hired last by PNB; and that the constitutional right to equal protection is a safeguard against the acts of the state and not against the individual such as [petitioner] PNB, a private entity.

"On 29 September 2000, the trial court rendered the herein-assailed decision. The dispositive portion of the said decision states:

"WHEREFORE, and in view of the foregoing, the Petition is hereby GRANTED.

"Respondent PNB, its President and Board of Directors are hereby directed to immediately settle the claims of petitioners whose names were listed on pages one (1) to four (4) of the Petition filed on December 22, 1999, including the other [claimants] who belong to the different offices and branches of respondent bank (PNB) nationwide and whose names were also listed in the Manifestation of Petitioners, through their counsel, dated 18 April 2000 and filed in court on April 27, 2000. The aforesaid lists are appended to this Decision forming as an integral part hereof.

"Accordingly, respondent bank is hereby ordered as follows:

[To pay (respondents) and other employees similarly situated and whose names are listed in the Petition and Manifestation referred to above, the following fringe benefits and allowances:][5]

- Meal allowance;
- Rice subsidy;
- Sugar subsidy;
- Children's allowance;
- Dental/optical/outpatients benefits;
- Consolidated Medical Plans for dependents;
- Commutation of Basic Hospitalization Benefits;
- Benefits under the Revised PNB Medical Plan;
- Death Benefits other than those granted under GSIS.

"2. To pay directly to petitioner's (sic) counsel attorney's fees equivalent to twenty (20%) percent of the total amount of the differentials due and payable to petitioners and the other employees similarly situated whose names are in the lists referred to above.""[6]

Subsequently, petitioner elevated the matter to the CA.

Ruling of the Court of Appeals

Denying the appeal, the appellate court ruled that respondents were entitled to the questioned benefits. The phrase "only as of July 1, 1989" in the last sentence of Section 12 of RA 6758 was interpreted by the CA as a reference to "other additional compensation," not to "incumbents." Thus, even employees hired after that date were deemed entitled to the same allowances or fringe benefits.[7] The CA relied heavily on Cruz v. COA,[8] which held that the date of hiring was not a reasonable or substantial distinction that would determine whether an employee was entitled to certain allowances or fringe benefits.[9] It added that to rule otherwise would result in an absurd classification, in which employees would be paid less than the others for the same amount of work rendered.[10]

The appellate court further held that since respondents' cause of action arose from the Court's declaration in De Jesus v. COA[11] that the implementing rules (DBM-CCC No. 10) were ineffective for lack of publication, the prescriptive period for filing the present case should, therefore, be reckoned from the promulgation of De Jesus.[12]

The CA explained that the action constituted a class suit, because all the elements of that kind of litigation were availing in the present controversy.[13] It brushed aside the remaining argument for utter lack of merit, but ruled that the order to pay was applicable only to those employees who had intervened and stood as parties in the trial court.

In denying the Motion for Reconsideration filed by petitioner, the CA ruled that PNB was estopped from raising the issue of the lower court's lack of jurisdiction, because the argument was being raised for the first time in that Motion.[14] A writ of mandamus was held to be the proper remedy of respondents to direct petitioner to pay their claims. The PNB's other allegations, which had already been discussed in the main Decision, were all debunked by the appellate court.[15]

Hence, this Petition.[16]The Issue

In its Memorandum,[17] petitioner raises the following issues for our consideration:

I.

"In the light of the provision of Section 12, Republic Act No. 6758, and the rulings in *Philippine Ports Authority v. Commission on Audit*, 214 SCRA 653 [1992], *Manila International Airport Authority v. Commission on Audit*, 238 SCRA 714 [1994], *Philippine International Trading Corporation v. Commission on Audit*, 309 SCRA 177 [1999], and *Social Security System v. Commission on Audit*, G.R. No. 149240, July 11, 2002, are respondents entitled to the differential of employees' benefits supposedly accruing from July 1, 1989 to January 1, 1997?

II.

"Is this Honorable Court's ruling in *Irene Cruz, et al. v. Commission on Audit*, G.R. No. 134740, October 23, 2001 applicable to respondents' claim?

III.

"Is PNB estopped from not granting the claim of respondents when it (PNB) subsequently extended to respondents similar benefits effective January 1, 1997?

IV.

"Is there a violation of equal protection if the non-integration of additional compensation into the standardized salary rates, or the continuous enjoyment thereof, pertains exclusively to incumbents as of July 1, 1989?"[18]

Simply put, the issue to be resolved is whether respondents are legally entitled to the questioned fringe benefits.

This Court's Ruling

The Petition is meritorious.

Main Issue:

Entitlement to Benefits

Petitioner invokes the doctrine of stare decisis, arguing that the proper interpretation of Section 12 of RA 6758 was already settled with finality in *Philippine Ports Authority v. COA*,[19] *Manila International Airport Authority v. COA*,[20] *Philippine International Trading Corporation v. COA*,[21] and *Social Security System v. COA*. [22] It further argues that the CA improvidently applied *Cruz v. COA*[23] to the present case.

Petitioner adds that by extending the assailed benefits to respondents on January 1, 1997, it was not thereby admitting that the latter were priorly entitled to them. It contends that its privatization on May 27, 1996 enabled it

to grant benefits as it deemed fit. It could not have granted them while it was still a government agency, because RA 6758 barred such grant as an illegal disbursement of public funds. It allegedly accorded them those benefits, not because it had finally acceded to their interpretation of the law, but because it was only then that -- as a private entity -- it could legally do so.[24]

Respondents, on the other hand, maintain that their entitlement to the benefits is no longer in issue, as petitioner is estopped from assailing their claim, which has already been granted.[25] Moreover, they reiterate the arguments and justifications that the CA raised in its assailed Decision.[26]

They also explain that issues not raised below can no longer be raised by petitioner in its present Memorandum. Thus, any further discussion of those issues is supposedly futile.

Stare Decisis

The doctrine "Stare decisis et non quieta movere (Stand by the decisions and disturb not what is settled)" is firmly entrenched in our jurisprudence.[27] Once this Court has laid down a principle of law as applicable to a certain state of facts, it would adhere to that principle and apply it to all future cases in which the facts are substantially the same as in the earlier controversy.[28]

The precise interpretation and application of the assailed provisions of RA 6758, namely those in Section 12, have long been established in *Philippine Ports Authority v. COA*.[29] The essential pronouncements in that case have further been fortified by *Manila International Airport Authority v. COA*,[30] *Philippine International Trading Corporation v. COA*,[31] and *Social Security System v. COA*. [32]

This Court has consistently held in those cases that allowances or fringe benefits, whether or not integrated into the standardized salaries prescribed by RA 6758, should continue to be enjoyed by employees who (1) were incumbents and (2) were receiving those benefits as of July 1, 1989.

In *Philippine Ports Authority v. COA*,[33] the petitioner (PPA), a government-owned and -controlled corporation, extended representation and transportation allowance (RATA) to some of its employees. Upon the enactment of RA 6758, the Commission on Audit (COA) disallowed further payment of RATA and the resulting RATA differentials. The Court ruled that, pursuant to Section 12 of RA 6758, the incumbent PPA officials enjoying RATA as of July 1, 1989 should continue receiving it.

The Court said that the intention of the framers of that law was to phase out certain allowances and privileges gradually, without upsetting the principle of non-diminution of pay. The intention of Section 12 to protect incumbents who were already receiving those allowances on July 1, 1989, when RA 6758 took effect was emphasized thus:

"An incumbent is a person who is in present possession of an office.

"The consequential outcome, under sections 12 and 17, is that if the incumbent resigns or is promoted to a higher position, his successor is no longer entitled to his predecessor's RATA privilege x x x or to the transition allowance." [34]

Finally, to explain what July 1, 1989 pertained to, we held in the same case as follows:

"x x x. The date July 1, 1989 becomes crucial only to determine that as of said date, the officer was an incumbent and was receiving the RATA, for purposes of entitling him to its continued grant. x x x." [35]

In *Philippine International Trading Corporation v. COA*,[36] this Court confirmed the legislative intention in this wise:

"x x x [T]here was no intention on the part of the legislature to revoke existing benefits being enjoyed by incumbents of government positions at the time of the passage of RA 6758 by virtue of Sections 12 and 17 thereof. x x x." [37]

The Court stressed that in reserving the benefits to incumbents alone, the legislature's intention was not only to adhere to the policy of non-diminution of pay, but also to be consistent with the prospective application of laws and the spirit of fairness and justice. [38]

The reliance of the court a quo on Cruz v. COA [39] is misplaced. It was held in that case that the specific date of hiring, October 31, 1989, had been not only arbitrarily determined by the COA, but also used as an unreasonable and unsubstantial basis for awarding allowances to employees. The basis for the Court's ruling was not primarily the resulting disparity in salaries received for the same work rendered but, more important, the absence of a distinction in the law that allowed the grant of such benefits -- between those hired before and those after the said date. [40]

Thus, setting a particular date as a distinction was nullified, not because it was constitutionally infirm or was against the "equal pay for equal work" policy of RA 6758. [41] Rather, the reason was that the COA had acted without or in excess of its authority in arbitrarily choosing October 31, 1989, as the cutoff date for according the allowances. It was explained that "when the law does not distinguish, neither should the court." And for that matter, neither should the COA. [42]

In consonance with stare decisis, there should be no more misgivings about the proper application of Section 12. In the present case, the payment of benefits to employees hired after July 1, 1989, was properly withheld, because the law clearly mandated that those benefits should be reserved only to incumbents who were already enjoying them before its enactment. Withholding them from the others ensured that the compensation of the incumbents would not be diminished in the course of the latter's continued employment with the government agency.

Equal Protection

Respondents further argue that upholding the distinction among the employees on the basis of the date of their hiring is violative of the equal protection clause of the Constitution. [43] Elsewise stated, the constitutionality of RA 6758 is collaterally challenged by respondents, based on the constitutional precept of equal protection. For reasons of public policy, however, the constitutionality of a law cannot be attacked in a collateral way.

A law is deemed valid unless declared null and void by a competent court; [44] more so when the issue has not been duly pleaded in the trial court. The question of constitutionality must be raised at the earliest opportunity. [45] Respondents not only failed to challenge the constitutionality of RA 6758; worse, they used it in seeking compensation from petitioner. The settled rule is that courts will not anticipate a question of constitutional law in advance of the necessity of deciding it. [46] Furthermore, as previously discussed, a valid classification was made by the law in segregating other employees from the incumbents who were already receiving the benefits on July 1, 1989.

Estoppel

Finally, as regards the issue on estoppel, we hold that petitioner is not estopped from questioning respondents' claim for the benefits, even if it granted them prospectively on January 1, 1997.

According to Article 1431 of the Civil Code, through estoppel, an admission or a representation is rendered conclusive upon the person making it; it cannot be denied or disproved as against the person relying on it. Furthermore, Section 2(a) of Rule 131 of the Rules of Court, on the burden of proof and presumptions, states as follows:

"SEC. 2 Conclusive presumptions. - The following are instances of conclusive presumptions:

"(a) Whenever a party has, by his own declaration, act, or omission, intentionally and deliberately led another to believe a particular thing true, and to act upon such belief, he cannot, in any litigation arising out of such declaration, act or omission, be permitted to falsify it;"

Estoppel, an equitable principle rooted upon natural justice, prevents persons from going back on their own acts and representations, to the prejudice of others who have relied on them.[47]

By extending the assailed benefits to respondents on January 1, 1997, petitioner was not thereby admitting that they were priorly entitled to those benefits. Upon its privatization via the Revised Charter of the Philippine National Bank or Executive Order No. 80 (EO No. 80), which took effect on May 27, 1996, petitioner was no longer subject to the restrictions imposed by RA 6758. Only then was it at liberty to determine the benefits its employees deserved, independently of RA 6758.

Kalalo v. Luz[48] discussed estoppel in this wise:

"The essential elements of estoppel in pais may be considered in relation to the party sought to be estopped, and in relation to the party invoking the estoppel in his favor. As related to the party to be estopped, the essential elements are: (1) conduct amounting to false representation or concealment of material facts; or at least calculated to convey the impression that the facts are otherwise than, and inconsistent with, those which the party subsequently attempts to assert; (2) intent, or at least expectation that this conduct shall be acted upon by, or at least influence, the other party; and (3) knowledge, actual or constructive, of the real facts. As related to the party claiming the estoppel, the essential elements are (1) lack of knowledge and of the means of knowledge of the truth as to the facts in question; (2) reliance, in good faith, upon the conduct or statements of the party to be estopped; (3) action or inaction based thereon of such character as to change the position or status of the party claiming the estoppel, to his injury, detriment or prejudice."[49]

In relation to petitioner, the first and the second elements are unavailing. When it extended the benefits to respondents on January 1, 1997, it merely admitted that it was only on that date when they became entitled to those benefits. It did not thereby falsely represent their prior entitlement. By no stretch of the imagination, can it be concluded that such extension of benefits would engender in them the false expectation that, because they are entitled to the claimed benefits now, they must have been entitled to them earlier. And, for that reason, they cannot claim that they henceforth suffered actual injury, detriment or prejudice, other than crushed hopes based on an unfounded expectation that they were priorly entitled to those benefits.

Petitioner cannot be adjudged to have placed itself in estoppel upon granting the benefits. Prior to its privatization on May 27, 1996, respondents' non-entitlement to them had been determined by law. After that date, the grant was purely a managerial prerogative exercised by petitioner as a private company. It was prohibited from extending those benefits while it was still a government-owned and -controlled corporation. Respondents should, in fact, be appreciative, not reproachful, that their employer decided to extend the benefits when it became legally possible to do so.

Epilogue

In sum, we rule thus:

- Under Section 12 of RA 6758, additional compensation already being received by the employees of petitioner, but not integrated into the standardized salary rates -- enumerated in Section 5.5 of DBM-CC No. 10, like "rice subsidy, sugar subsidy, death benefits other than those granted by the GSIS," and so on --shall continue to be given.

- However, the continuation of the grant shall be available only to those "incumbents" already receiving it on July 1, 1989.
- Thus, in *PPA v. COA*, this Court held that PPA employees already receiving the RATA granted by LOI No. 97 should continue to receive them, provided they were already "incumbents" on or before July 1, 1989.
- *PITC v. COA* held that in enacting RA 6758, Congress was adhering to the policy of non-diminution of existing pay. Hence, if a benefit was not yet existing when the law took effect on July 1, 1989, there was nothing to continue and no basis for applying the policy.
- Neither would *Cruz v. COA* be applicable. In those cases, the COA arbitrarily set a specific date, October 31, 1989; RA 6758 had not made a distinction between those hired before and those after that date. In the present case, the law itself set July 1, 1989, as the date when employees should be "incumbents," because that was when RA 6758 took effect. It was not an arbitrarily chosen date; there was sufficient reason for setting it as the cutoff point.
- The collateral attack on the constitutionality of RA 6758 due to alleged violation of the equal protection clause cannot prosper, because constitutionality issues must be pleaded directly -- not collaterally. Furthermore, the constitutional issue was not raised in the trial court; hence, it cannot now be availed of on appeal to this Court. Besides, the arguments of respondents rest upon the validity of Section 12 of RA 6758. How then can they now challenge the very basis of their arguments?
- Neither will estoppel help respondents. In granting the benefits effective January 1, 1997, petitioner did not "make any false representation or concealment of material facts" indicating that it was in a position to give the additional benefits prior to that date. On the contrary, it consistently opined that, as a government entity, it was bound by RA 6758. Only after its privatization on May 27, 1996, was it released from the Salary Standardization Law.
- Since respondents have not shown any law requiring petitioner to grant the subject benefits to employees hired after July 1, 1989, the Writ of Mandamus was improvidently issued by the lower courts. Basic is the rule that mandamus is issued to command the performance of a ministerial, not a discretionary duty, much less one prohibited by law.

This Court sympathizes with the plight of respondents. In these tough economic times, it understands their difficult situation. But as a court, even as the highest one, it can only apply the letter and the spirit of the law; it cannot reinvent or modify it. Unfortunately, law and jurisprudence are ranged against their stance. The Supreme Court has no choice but to apply them accordingly, if it must be true to its mission under the rule of law.

WHEREFORE, the Petition is GRANTED. The challenged Decision and Resolution of the Court of Appeals, as well as those of the Regional Trial Court of Pasay City, are SET ASIDE.

No pronouncement as to costs.

SO ORDERED.

Sandoval-Gutierrez, Carpio Morales, and Garcia, JJ., concur.
Corona, J., on official leave.

[*]Under §1 of Rule 7, the names of all the parties should be included in the title of the case. Due to their sheer number (a total of 1,093, according to respondents' Memorandum, p. 2), however, neither the trial nor the

appellate court named them in the title. Nevertheless, the lists of claimants (herein respondents) are appended to the trial court's Decision; thus, we incorporate, by reference, their names as co-respondents in this case.

[1] Rollo, pp. 25-44.

[2] *Id.*, pp. 45-56. Special Second Division. Penned by Justice Perlita J. Tria Tirona, with the concurrence of Justices Rodrigo V. Cosico (acting chairman) and Mario L. Guariña III (member).

[3] *Id.*, pp. 57-59.

[4] Assailed CA Decision, p. 12; rollo, p. 56.

[5] This portion in brackets, omitted from the CA Decision, is in the original RTC judgment penned by Judge Ernesto A. Reyes of the RTC of Pasay City. Rollo, p. 70.

[6] Assailed CA Decision, pp. 1-5; rollo, pp. 45-49.

[7] *Id.*, pp. 7 & 51.

[8] 420 Phil. 102, October 23, 2001.

[9] CA Decision, p. 8; rollo, p. 52.

[10] *Ibid.*

[11] 355 Phil. 584, August 12, 1998.

[12] CA Decision, pp. 8-9; rollo, pp. 52-53.

[13] *Id.*, pp. 9-10 & 53-54.

[14] CA Resolution, p. 2; rollo, p. 58.

[15] *Ibid.*

[16] The case was deemed submitted for decision on March 2, 2004, upon this Court's receipt of petitioner's Memorandum, signed by Attys. Alvin C. Go, Gregorio V. Cabantac, Eligio P. Petilla and Norman R. Bueno. Respondents' Memorandum, signed by Atty. Danilo P. Cariaga, was received by this Court on January 16, 2004.

[17] Rollo, pp. 173-197.

[18] Petitioner's Memorandum, pp. 5-7; rollo, pp. 177-179. (Original in italics.)

[19] 214 SCRA 653, October 16, 1992.

[20] 238 SCRA 714, December 5, 1994.

[21] 368 Phil. 478, June 25, 1999.

[22] 433 Phil. 946, July 11, 2002.

[23] *Supra.*

[24] Petitioner's Memorandum, pp. 21-23; rollo, pp. 193-195.

[25] Respondents' Memorandum, p. 12; rollo, p. 150.

[26] *Id.*, pp. 12-16 & 150-154.

- [27] Moreno, Philippine Law Dictionary (1988), 3rd ed. (citing *Santiago v. Valenzuela*, 78 Phil. 397, April 30, 1947).
- [28] *Dela Cruz v. Court of Appeals*, 305 SCRA 303, March 25, 1999, citing *Government v. Jalandoni*, No. 837-R, August 30, 1947.
- [29] *Supra*.
- [30] *Supra*.
- [31] *Supra*.
- [32] *Supra*.
- [33] *Supra*.
- [34] *Philippine Ports Authority v. COA*, *supra*, p. 660, per Gutierrez, J.
- [35] *Id.*, p. 664.
- [36] *Supra* at note 21.
- [37] *Id.*, pp. 488-489, per Gonzaga-Reyes, J.
- [38] *Id.*, p. 489.
- [39] *Supra*.
- [40] *Cruz v. COA*, *supra*, p. 109.
- [41] "SEC. 2. Statement of Policy. - It is hereby declared the policy of the State to provide equal pay for substantially equal work and to base differences in pay upon substantive differences in duties and responsibilities, and qualification requirements of the positions. x x x."
- [42] *Cruz v. COA*, *supra*, p. 109, per Pardo, J. (citing *Salonga v. The Executive Secretary*, 342 SCRA 449, October 10, 2000).
- [43] Respondents' Memorandum, p. 18; rollo, p. 156.
- [44] *NAWASA v. Reyes*, 130 Phil. 939, February 29, 1968.
- [45] *Republic v. CA*, 359 Phil. 530, November 25, 1998 (citing *People v. Vera*, 65 Phil. 56, 88, November 16, 1937; *Bernas, The Constitution of the Republic of the Philippines* (1988) Vol. II, pp. 279-280).
- [46] *Evangelista v. Jarencio*, 68 SCRA 99, November 27, 1975 (citing *US v. Borja*, 191 F. Supp 563, 566; *Farkas v. Texas Instrument, Inc.*, 375 P. 2d 629, 632, 389 US 977; *San Miguel Brewery, Inc. v. Magno*, 21 SCRA 292, 297, September 29, 1967; *Antieau, Modern Constitutional Law*, 1969 ed., p. 648; *Petite v. United States*, 361 US 529 [1960]).
- [47] *Laurel v. Civil Service Commission*, 203 SCRA 195, October 28, 1991; *Stokes v. Malayan Insurance Co., Inc.*, 212 Phil. 705, February 24, 1984; *Medija v. Patcho*, 217 Phil. 509, October 23, 1984; *Llacer v. Muñoz*, 12 Phil. 328, December 23, 1908.
- [48] 145 Phil. 152, July 31, 1970.
- [49] *Id.*, p. 162, per Zaldivar, J. (citing Art. 1437, Civil Code; 28 Am. Jur. 2d, pp. 640-641; Reyes and Puno, *An Outline of Philippine Civil Law*, Vol. IV, p. 277). See also *Noda, v. SSS*, 195 Phil. 769, November 12, 1981;

Dizon v. Suntay, 150-B Phil. 861, September 29, 1972; De Castro v. Ginete, 137 Phil. 453, March 28, 1969; Balmeo v. Sales, 43 OG 7676; 15 CAR (2s) 625.

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