

**JOURNALISTS, INC., BOBBY DELA CRUZ, ARNOLD BANARES AND
ATTY. RUBY RUIZ BRUNO, PETITIONERS, VS. NATIONAL LABOR
RELATIONS COMMISSION, HON. COMMS. LOURDES JAVIER, TITO
GENILO AND E...**

G.R. NO. 166421. September 05, 2006

Ponente: CALLEJO, SR., J.

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CALLEJO, SR., J.:

This is a Petition for Certiorari under Rule 65[1] of the Rules of Court of the Decision[2] of the Court of Appeals (CA) in CA-G.R. SP No. 81544, as well as the Resolution[3] dated November 23, 2004 denying the motion for reconsideration thereof.

The Antecedents

The Philippine Journalists, Inc. (PJI) is a domestic corporation engaged in the publication and sale of newspapers and magazines. The exclusive bargaining agent of all the rank-and-file employees in the company is the Journal Employees Union (Union for brevity).

Sometime in April 2005, the Union filed a notice of strike before the National Conciliation and Mediation Board (NCMB), claiming that PJI was guilty of unfair labor practice. PJI was then going to implement a retrenchment program due to "over-staffing or bloated work force and continuing actual losses sustained by the company for the past three years resulting in negative stockholders equity of P127.0 million." The Secretary of the Department of Labor and Employment (DOLE) certified[4] the labor dispute to the National Labor Relations Commission (NLRC) for compulsory arbitration pursuant to Article 263 (g) of the Labor Code. The case was docketed as NCMB-NCR-NS-03-087-00.

The parties were required to submit their respective position papers. PJI filed a motion to dismiss, contending that the Secretary of Labor had no jurisdiction to assume over the case and thus erred in certifying it to the Commission. The NLRC denied the motion. PJI, thereafter, filed a Motion to Defer Further Proceedings, alleging, among others, that the filing of its position paper might jeopardize attempts to settle the matter extrajudicially, which the NLRC also denied. The case was, thereafter, submitted for decision.[5]

In its Resolution[6] dated May 31, 2001, the NLRC declared that the 31 complainants were illegally dismissed and that there was no basis for the implementation of petitioner's retrenchment program. The NLRC noted that the following circumstances belied PJI's claim that it had incurred losses: (1) office renovations were made as evidenced by numerous purchase orders; (2) certain employees were granted merit increases; and (3) a Christmas party for employees was held at a plush hotel. It also observed that PJI's executives refused to forego their quarterly bonuses if the Union members refused to forego theirs.

Thus, the NLRC declared that the retrenchment of 31 employees was illegal and ordered their reinstatement "to their former position without loss of seniority rights and other benefits, with payment of unpaid salaries, bonuses

and backwages from the date of dismissal up to the actual date of reinstatement plus 10% of the total monetary award as attorney's fees." PJI was adjudged liable in the total amount of P6,447,008.57.[7]

Thereafter, the parties executed a Compromise Agreement[8] dated July 9, 2001, where PJI undertook to reinstate the 31 complainant-employees effective July 1, 2001 without loss of seniority rights and benefits; 17 of them who were previously retrenched were agreed to be given full and complete payment of their respective monetary claims, while 14 others would be paid their monetary claims minus what they received by way of separation pay. The agreement stated that the parties entered the agreement "[i]n a sincere effort at peace and reconciliation as well as to jointly establish a new era in labor management relations marked by mutual trust, cooperation and assistance, enhanced by open, constant and sincere communication with a view of advancing the interest of both the company and its employees." The compromise agreement was submitted to the NLRC for approval. All the employees mentioned in the agreement and in the NLRC Resolution affixed their signatures thereon. They likewise signed the Joint Manifesto and Declaration of Mutual Support and Cooperation[9] which had also been submitted for the consideration of the labor tribunal.

The NLRC forthwith issued another Resolution[10] on July 25, 2002, declaring that the Clarificatory Motion of complainants Floro Andrin, Jr. and Jazen M. Jilhani had been mooted by the compromise agreement as they appeared to be included in paragraph 2.c and paragraph 2.d, respectively thereof. As to the seven others who had filed a motion for clarification, the NLRC held that they should have filed individual affidavits to establish their claims or moved to consolidate their cases with the certified case. Thus, the NLRC granted the computation of their benefits as shown in the individual affidavits of the complainants. However, as to the prayer to declare the Union guilty of unfair labor practice, to continue with the CBA negotiation and to pay moral and exemplary damages, the NLRC ruled that there was no sufficient factual and legal basis to modify its resolution. Thus, the compromise agreement was approved and NCMB-NCR-NS-03-087-00 was deemed closed and terminated.[11]

In the meantime, however, the Union filed another Notice of Strike on July 1, 2002, premised on the following claims:

- OUTRIGHT DISMISSAL OF 29 EMPLOYEES
- VIOLATION OF CBA BENEFITS
- NON-PAYMENT OF ALLOWANCES, MEAL, RICE, TRANSPORTATION, QUARTERLY BONUS, X-MAS BONUS, ANNIVERSARY BONUS, HEALTH INSURANCE, DENTAL TO 29 EMPLOYEES
- NON-PAYMENT OF BACKWAGES OF 38 REINSTATED EMPLOYEES [JUNE 2001 SALARY AND ALLOWANCES, DIFFERENCE (sic) OF ALLOWANCES AND BONUSES AWARDED BY NLRC]
- TRANSPORTATION ALLOWANCE OF 5 UNION MEMBERS
- NON-PAYMENT OF P1000 INCREASE PER CBA
- DIMINUTION OF SALARY OF 200 EMPLOYEES TO 50%[12]

In an Order[13] dated September 16, 2002, the DOLE Secretary certified the case to the Commission for compulsory arbitration. The case was docketed as NCMB-NCR- NS-07-251-02.

The Union claimed that 29 employees were illegally dismissed from employment, and that the salaries and benefits[14] of 50 others had been illegally reduced.[15] After the retrenchment program was implemented, 200 Union members-employees who continued working for petitioner had been made to sign five-month contracts. The Union also alleged that the company, through its legal officer, threatened to dismiss some 200 union members from employment if they refused to conform to a 40% to 50% salary reduction; indeed, the 29

employees who refused to accede to these demands were dismissed on June 28, 2002. The Union prayed that the dismissed employees be reinstated with payment of full backwages and all other benefits or their monetary equivalent from the date of their dismissal on July 3, 2002 up to the actual date of reinstatement; and that the CBA benefits (as of November 2002) of the 29 employees and 50 others be restored.

In its Resolution[16] dated July 31, 2003, the NLRC ruled that the complainants were not illegally dismissed. The May 31, 2001 Resolution declaring the retrenchment program illegal did not attain finality as "it had been academically mooted by the compromise agreement entered into between both parties on July 9, 2001." According to the Commission, it was on the basis of this agreement that the July 25, 2002 Resolution which declared the case closed and terminated was issued. Pursuant to Article 223 of the Labor Code, this later resolution attained finality upon the expiration of ten days from both parties' receipt thereof. Thus, the May 31, 2001 Resolution could not be made the basis to justify the alleged continued employment regularity of the 29 complainants subsequent to their retrenchment. The NLRC further declared that the two cases involved different sets of facts, hence, the inapplicability of the doctrine of stare decisis. In the first action, the issue was whether the complainants as regular employees were illegally retrenched; in this case, whether the 29 complainants, contractual employees, were illegally dismissed on separate dates long after their retrenchment.

The NLRC also declared that by their separate acts of entering into fixed-term employment contracts with petitioner after their separation from employment by virtue of retrenchment, they are deemed to have admitted the validity of their separation from employment and are thus estopped from questioning it. Moreover, there was no showing that the complainants were forced or pressured into signing the fixed-term employment contracts which they entered into. Consequently, their claims for CBA benefits and increases from January to November 2002 should be dismissed. The NLRC pointed out that since they were mere contractual employees, the complainants were necessarily excluded from the collective bargaining unit. The NLRC stressed that the complainants had refused to be regularized and ceased to be employees of petitioner upon the expiration of their last fixed-term employment contracts. Thus, the NLRC dismissed the case for lack of merit, but directed the company to "give preference to the separated 29 complainants should they apply for re-employment."

On the other issues raised by the complainants, the NLRC held:

We, furthermore find that JEU has no personality to represent the 29 Complainants for, as prudently discussed above, they were contractual employees, not regular employees, from the time they entered into fixed-term employment contracts after being retrenched up to the time they ceased being employees of PJI due to the non-renewal of their last fixed-term employment contracts. As contractual employees, they were excluded from the Collective Bargaining Unit (Section 2, CBA) and hence, not union members.

Complainants contend that PJI admitted that the 29 Complainants were union members because PJI deducted union dues from their monthly wages.

We, however, do not subscribe to this view.

Firstly, although PJI deducted union dues from the monthly wages of the 29 employees, it erroneously did so due to the distracting misrepresentation of JEU that they were union members. Thus, if there is any legal effect of these acts of misrepresentation and erroneous deduction, it is certainly the liability of JEU for restitution of the erroneously deducted amounts to PJI.

Secondly, the union membership admission due to erroneous union dues deduction is incompatible with the fixed-term employment contracts Complainants entered into with PJI.

We finally rule that JEU is not guilty of unfair labor practice. Although it admitted the 29 contractual employees as its members and represented them in the instant case and circulated derogatory letters and made

accusations against Respondents, it is, nevertheless, deemed to have acted in good faith, there being no substantial evidence on record showing that they did so in bad faith and with malice.

Much as we empathize with Complainants in their period of depressing economic plight and hence, sincerely yearn to extricate them from such a situation, [w]e cannot do anything, for our hands are shackled by the hard but true merits of the instant case. As an exception to this incapacity, however, [w]e can request Respondents to give preference to the 29 Complainants should they apply for re-employment.[17]

The Union assailed the ruling of the NLRC before the CA via petition for certiorari under Rule 65.

In its Decision dated August 17, 2004, the appellate court held that the NLRC gravely abused its discretion in ruling for PJI. The compromise agreement referred only to the award given by the NLRC to the complainants in the said case, that is, the obligation of the employer to the complainants. The CA pointed out that the NLRC Resolution nevertheless declared that respondent failed to prove the validity of its retrenchment program, which according to it, stands even after the compromise agreement was executed; it was the reason why the agreement was reached in the first place.

The CA further held that the act of respondent in hiring the retrenched employees as contractual workers was a ploy to circumvent the latter's security of tenure. This is evidenced by the admission of PJI, that it hired contractual employees (majority of whom were those retrenched) because of increased, albeit uncertain, demand for its publications. The CA pointed out that this was done almost immediately after implementing the retrenchment program. Another "telling feature" is the fact that the said employees were re-hired for five-month contracts only, and were later offered regular employment with salaries lower than what they were previously receiving. The CA also ruled that the dismissed employees were not barred from pursuing their monetary claims despite the fact that they had accepted their separation pay and signed their quitclaims. The dispositive portion of the decision reads:

WHEREFORE, the petition is GRANTED. Respondent is ordered to reinstate the 29 dismissed employees to their previous positions without loss of seniority rights and payment of their full backwages from the time of their dismissal up to their actual reinstatement. Respondent is likewise ordered to pay the 29 and 50 employees, respectively, their rightful benefits under the CBA, less whatever amount they have already received. The records of this case are remanded to the NLRC for the computation of the monetary awards.

SO ORDERED.[18]

The Present Petition

PJI, its President Bobby Dela Cruz, its Executive Vice-President Arnold Banares, and its Chief Legal Officer Ruby Ruiz Bruno, the petitioners, now come before this Court and submit that the CA erred as follows:

I

THE HONORABLE COURT OF APPEALS COMMITTED GRAVE ABUSE OF DISCRETION WHEN IT ADOPTED THE RESOLUTION DATED 31 MAY 2001 IN CERT. CASE NO. 000181-00 AND APPLIED THE SAME TO THE INSTANT CASE DOCKETED AS CERT. CASE NO. 000229-02, DESPITE THE SAID RESOLUTION BEING ABANDONED AND ACADEMICALLY MOOTED BY THE RESOLUTION DATED 25 JULY 2001, WHICH APPROVED THE COMPROMISE AGREEMENT BETWEEN THE PARTIES IN CERT. CASE NO. 000181-00. IN FINE; THE HONORABLE COURT OF APPEALS APPLIED TO THE INSTANT CASE THE LOGIC AND LAW OF AN ABANDONED RESOLUTION WHICH NEVER ATTAINED FINALITY.

II

THE HONORABLE COURT OF APPEALS COMMITTED GRAVE ABUSE OF DISCRETION WHEN IT TRIED FACTS AND EVIDENCES WHICH WERE NOT PRESENTED AND CONSIDERED BY THE

COURT A QUO. IN FINE, THE HONORABLE COURT OF APPEALS WENT BEYOND ITS MANDATE AND AUTHORITY WHEN IT BECAME A TRIER OF FACTS.

III

THE HONORABLE COURT OF APPEALS COMMITTED GRAVE ABUSE OF DISCRETION WHEN IT GRANTED TO AWARD 50 OTHER PERSONS WHO ARE NOT PARTIES OR PRIVIES TO THE INSTANT CASE. IN FINE, THE HONORABLE COURT OF APPEALS GRANTED AWARDS TO THOSE WITH WHOM IT NEVER HAD JURISDICTION.[19]

At the outset, we note that this case was brought before us via petition for certiorari under Rule 65 of the Revised Rules of Civil Procedure. The proper remedy, however, was to file a petition under Rule 45. It must be stressed that certiorari under Rule 65 is "a remedy narrow in scope and inflexible in character. It is not a general utility tool in the legal workshop." [20] Moreover, the special civil action for certiorari will lie only when a court has acted without or in excess of jurisdiction or with grave abuse of discretion. [21]

Be that as it may, a petition for certiorari may be treated as a petition for review under Rule 45. Such move is in accordance with the liberal spirit pervading the Rules of Court and in the interest of substantial justice. [22] As the instant petition was filed within the prescribed fifteen-day period, and in view of the substantial issues raised, the Court resolves to give due course to the petition and treat the same as a petition for review on certiorari. [23]

The primary issue before the Court is whether an NLRC Resolution, which includes a pronouncement that the members of a union had been illegally dismissed, is abandoned or rendered "moot and academic" by a compromise agreement subsequently entered into between the dismissed employees and the employer; this, in turn, raises the question of whether such a compromise agreement constitutes *res judicata* to a new complaint later filed by other union members-employees, not parties to the agreement, who likewise claim to have been illegally dismissed.

Petitioners point out that a compromise agreement is the product of free will and consent of the parties and that such agreement can be entered into during any stage of the case. They insist that its terms are not dictated or dependent on the court's findings of facts; it is valid as long as not contrary to law, public order, public policy, morals or good customs. According to petitioners, the execution of the compromise agreement embodied and approved by the NLRC Resolution dated July 25, 2001 effectively closed and terminated Certified Case No. 000181-00. Citing *Golden Donuts, Inc., v. National Labor Relations Commission*. [24] Thus, a judgment on a compromise agreement has the force and effect of any other judgment.

Petitioners also point out that as correctly observed by the NLRC, the resolution declaring respondents' retrenchment was promulgated on May 31, 2001. Petitioners' side was never presented in Certified Case No. 000181-00, and if it were not for the filing of the compromise agreement, they would have moved to reconsider or at least filed the appropriate pleadings to rectify the findings adverse to them. They insist that the compromise agreement effectively abandoned all findings of facts and its necessary consequences in favor of the amicable settlement. The compromise agreement was thereafter

approved on July 25, 2001 by the NLRC. As clearly stated in Article 223 of the Labor Code, it is the Resolution dated July 25, 2001 that attained finality after the expiration of the ten-day period, and not the abandoned and mooted Resolution dated May 31, 2001.

Petitioners claim that the letter of Atty. Adolfo Romero dated March 20, 2000 was never presented as evidence. Moreover, since the CA is not a trier of facts, it was error on its part to "admit material evidence that was never presented in the instant case (or to lift findings of facts from the abandoned and mooted resolution dated 31 May 2001)." Thus, the NLRC did not act with grave abuse of discretion when it found that the retrenchment was legal

as stated in the appealed decision dated July 31, 2003. Such use of the admissions contained in the said letter dated March 20, 2000 denied them due process as they were not given the opportunity to contest or deny its validity or existence.

Petitioners further point out that while the instant petition was filed only by 29 complainants, the dispositive portion of the assailed decision was extended to cover 50 other persons. They insist that the said letter, as well as the findings of a "mooted decision," were used as evidence to support the erroneous decision of the CA; in so doing, the appellate court acted with grave abuse of discretion amounting to lack or excess of jurisdiction.

For their part, private respondents claim that the appellate court did not commit any reversible error, and that the assailed decision is borne out by the evidence on record. Since the dismissal of the retrenched employees has been declared illegal, the 29 dismissed employees enjoy the status of regular and permanent employees who cannot be dismissed except for cause; hence, the CA correctly ordered their reinstatement.

They further point out that the fixing of five-month contracts of employment entered into by the individual union members was intentionally employed by petitioners to circumvent the provisions of the Labor Code on security of tenure, hence, illegal. They also allege that petitioners did not comply with the 30-day notice rule required by law to render any dismissal from employment valid. The letter of dismissal was dated June 27, 2002, and took effect a week after, or on July 3, 2002, a violation of the 30-day notice rule. The Union members' salaries and benefits were obtained through CBA negotiations and were included in the existing CBA. Thus, petitioners' act of unilaterally removing such benefits and wage increases constitutes gross violations of its economic provisions, and unfair labor practice as defined by the Labor Code. Private respondents cite *Philippine Carpet Employees Association v. Philippine Carpet Manufacturing Corporation*[25] to support their arguments. They insist that the illegally retrenched employees were made to believe that their retrenchment was valid, and thus, through mistake or fraud accepted their separation pay, which, however, does not militate against their claims.

The Ruling of the Court

The petition is denied.

The nature of a compromise is spelled out in Article 2028 of the New Civil Code: it is "a contract whereby the parties, by making reciprocal concessions, avoid litigation or put an end to one already commenced." Parties to a compromise are motivated by "the hope of gaining, balanced by the dangers of losing." [26] It contemplates mutual concessions and mutual gains to avoid the expenses of litigation, or, when litigation has already begun, to end it because of the uncertainty of the result. [27] Article 227 of the Labor Code of the Philippines authorizes compromise agreements voluntarily agreed upon by the parties, in conformity with the basic policy of the State "to promote and emphasize the primacy of free collective bargaining and negotiations, including voluntary arbitration, mediation and conciliation, as modes of settling labor or industrial disputes." [28] As the Court held in *Reformist Union of R.B. Liner, Inc. v. NLRC*, [29] the provision "bestows finality to unvitiated compromise agreements," particularly if there is no allegation that either party did not comply with what was incumbent upon them under the agreement. The provision reads:

ART. 227 Compromise Agreements. - Any compromise settlement, including those involving labor standard laws, voluntarily agreed upon by the parties with the assistance of the Bureau or the regional office of the Department of Labor, shall be final and binding upon the parties. The National Labor Relations Commission or any court shall not assume jurisdiction over issues involved therein except in case of noncompliance thereof or if there is prima facie evidence that the settlement was obtained through fraud, misrepresentation, or coercion.

Thus, a judgment rendered in accordance with a compromise agreement is not appealable, and is immediately executory unless a motion is filed to set aside the agreement on the ground of fraud, mistake, or duress, in which

case an appeal may be taken against the order denying the motion.[30] Under Article 2037 of the Civil Code, "a compromise has upon the parties the effect and authority of res judicata," even when effected without judicial approval; and under the principle of res judicata, an issue which had already been laid to rest by the parties themselves can no longer be relitigated.[31]

In *AFP Mutual Benefit Association, Inc. v. Court of Appeals*,^[32] the Court spelled out the distinguishing features of a compromise agreement that is basically intended to resolve a matter already in litigation, or what is normally termed as a judicial compromise. The Court held that once approved, the agreement becomes more than a mere contract binding upon the parties, considering that it has been entered as the court's determination of the controversy and has the force and effect of any other judgment. The Court went on to state:

Adjective law governing judicial compromises annunciate that once approved by the court, a judicial compromise is not appealable and it thereby becomes immediately executory but this rule must be understood to refer and apply only to those who are bound by the compromise and, on the assumption that they are the only parties to the case, the litigation comes to an end except only as regards to its compliance and the fulfillment by the parties of their respective obligations thereunder. The reason for the rule, said the Court in *Domingo v. Court of Appeals* [325 Phil. 469], is that when both parties so enter into the agreement to put a close to a pending litigation between them and ask that a decision be rendered in conformity therewith, it would only be "natural to presume that such action constitutes an implicit waiver of the right to appeal" against that decision. The order approving the compromise agreement thus becomes a final act, and it forms part and parcel of the judgment that can be enforced by a writ of execution unless otherwise enjoined by a restraining order.[33]

Thus, contrary to the allegation of petitioners, the execution and subsequent approval by the NLRC of the agreement forged between it and the respondent Union did not render the NLRC resolution ineffectual, nor rendered it "moot and academic." The agreement becomes part of the judgment of the court or tribunal, and as a logical consequence, there is an implicit waiver of the right to appeal.

In any event, the compromise agreement cannot bind a party who did not voluntarily take part in the settlement itself and gave specific individual consent.[34] It must be remembered that a compromise agreement is also a contract; it requires the consent of the parties, and it is only then that the agreement may be considered as voluntarily entered into.

The case of *Golden Donuts, Inc. v. National Labor Relations Commission*,^[35] which petitioners erroneously rely upon, is instructive on this point. The Court therein was confronted with the following questions:

x x x (1) whether or not a union may compromise or waive the rights to security of tenure and money claims of its minority members, without the latter's consent, and (2) whether or not the compromise agreement entered into by the union with petitioner company, which has not been consented to nor ratified by respondents minority members has the effect of res judicata upon them."^[36]

Speaking through Justice Reynato C. Puno, the Court held that pursuant to Section 23, Rule 138^[37] of the then 1964 Revised Rules of Court, a special authority is required before a lawyer may compromise his client's litigation; thus, the union has no authority to compromise the individual claims of members who did not consent to the settlement.[38] The Court also stated that "the authority to compromise cannot lightly be presumed and should be duly established by evidence,"^[39] and that "a compromise agreement is not valid when a party in the case has not signed the same or when someone signs for and in behalf of such party without authority to do so;" consequently, the affected employees may still pursue their individual claims against their employer.[40] The Court went on to state that a judgment approving a compromise agreement cannot have the effect of res judicata upon non-signatories since the requirement of identity of parties is not satisfied. A judgment upon a compromise

agreement has all the force and effect of any other judgment, and, conclusive only upon parties thereto and their privies, hence, not binding on third persons who are not parties to it.[41]

A careful perusal of the wordings of the compromise agreement will show that the parties agreed that the only issue to be resolved was the question of the monetary claim of several employees. The prayer of the parties in the compromise agreement which was submitted to the NLRC reads:

WHEREFORE, premises considered, it is respectfully prayed that the Compromise Settlement be noted and considered; that the instant case [be] deemed close[d] and terminated and that the Decision dated May 31, 2001 rendered herein by this Honorable Commission be deemed to be fully implemented insofar as concerns the thirty-one (31) employees mentioned in paragraphs 2c and 2d hereof; and, that the only issue remaining to be resolved be limited to the question of the monetary claim raised in the motion for clarification by the seven employees mentioned in paragraph 2e hereof.[42]

The agreement was later approved by the NLRC. The case was considered closed and terminated and the Resolution dated May 31, 2001 fully implemented insofar as the employees "mentioned in paragraphs 2c and 2d of the compromise agreement" were concerned. Hence, the CA was correct in holding that the compromise agreement pertained only to the "monetary obligation" of the employer to the dismissed employees, and in no way affected the Resolution in NCMB-NCR-NS-03-087-00 dated May 31, 2001 where the NLRC made the pronouncement that there was no basis for the implementation of petitioners' retrenchment program.

To reiterate, the rule is that when judgment is rendered based on a compromise agreement, the judgment becomes immediately executory, there being an implied waiver of the parties' right to appeal from the decision.[43] The judgment having become final, the Court can no longer reverse, much less modify it.

Petitioners' argument that the CA is not a trier of facts is likewise erroneous. In the exercise of its power to review decisions by the NLRC, the CA can review the factual findings or legal conclusions of the labor tribunal.[44] Thus, the CA is not proscribed from "examining evidence anew to determine whether the factual findings of the NLRC are supported by the evidence presented and the conclusions derived therefrom accurately ascertained." [45]

The findings of the appellate court are in accord with the evidence on record, and we note with approval the following pronouncement:

Respondents alleged that it hired contractual employees majority of whom were those retrenched because of the increased but uncertain demand for its publications. Respondent did this almost immediately after its alleged retrenchment program. Another telling feature in the scheme of respondent is the fact that these contractual employees were given contracts of five (5) month durations and thereafter, were offered regular employment with salaries lower than their previous salaries. The Labor Code explicitly prohibits the diminution of employee's benefits. Clearly, the situation in the case at bar is one of the things the provision on security of tenure seeks to prevent.

Lastly, it could not be said that the employees in this case are barred from pursuing their claims because of their acceptance of separation pay and their signing of quitclaims. It is settled that "quitclaims, waivers and/or complete releases executed by employees do not stop them from pursuing their claims " if there is a showing of undue pressure or duress. The basic reason for this is that such quitclaims, waivers and/or complete releases being figuratively exacted through the barrel of a gun, are against public policy and therefore null and void ab initio (ACD Investigation Security Agency, Inc. v. Pablo D. Daquera, G.R. No. 147473, March 30, 2004)." In the case at bar, the employees were faced with impending termination. As such, it was but natural for them to accept whatever monetary benefits that they could get.[46]

CONSIDERING THE FOREGOING, the petition is DENIED and the assailed Decision and Resolution AFFIRMED. Costs against the petitioners.

SO ORDERED.

Panganiban, C.J., (Chairperson), Ynares-Santiago, Austria-Martinez, and Chico-Nazario, JJ., concur

[1] Petitioners erroneously labeled their recourse as one for "certiorari" under "Rule 65." Since they are questioning a decision of the Court of Appeals, the proper remedy is a petition for review under Rule 45. Inasmuch as the instant petition was filed within the 15- day reglementary period, the Court hereby treats it as one filed under Rule 45.

[2] Penned by Associate Justice Juan Q. Enriquez, Jr., with Associate Justices Salvador R. Valdez, Jr. (Retired) and Vicente Q. Roxas, concurring; rollo, pp. 23-31.

[3] Rollo, pp. 32-33.

[4] Order dated September 16, 2002, CA rollo, pp. 409-410.

[5] CA rollo, p. 372.

[6] Id. at 371-405.

[7] Id. at 400-405.

[8] Id. at 482-489.

[9] Id. at 490-491.

[10] Rollo, pp. 69-91.

[11] The dispositive portion of the Resolution reads:

WHEREFORE, premises considered, [w]e hereby order respondent Philippine Journalists Inc. to:

- Reinstate Maria Rosario T. Flores, Eddie H. Serrano and Milagros B. Billones to their former position without loss of seniority rights and other benefits;

- To pay the monetary claims of Antonio M. Ayo, Arnold S. Santos, Judith A. Pulido, Maria Rosario T. Flores, Emmeline D. Nicolas, Emmanuel M. Munar, Jr., Eddie H. Serrano, Razil B. Taleon and Milagros B. Billones as shown in their computations quoted in this Resolution, the payment being understood to be from date of dismissal up to actual date of reinstatement; minus what they received as separation pay;

- To pay ten (10%) [percent] of the total monetary award as attorney's fees.

Lastly, the Compromise Agreement is hereby approved, as prayed for, the case is deemed closed and terminated and our Resolution dated May 31, 2001 is fully implemented insofar as it concerns the employees mentioned in paragraphs 2c and 2d of the Compromise Agreement.

SO ORDERED (CA rollo, p. 480).

[12] CA rollo, pp. 79-80.

[13] Id. at 409-410.

[14] Some of the benefits claimed to have been diminished are meal allowance, rice allowance, quarterly bonus,

vacation leave, holiday pay, anniversary bonus, longevity pay, allowance for eyeglasses, sick leaves, transportation allowance, and others.

[15] CA rollo, pp. 139-370.

[16] Id. at 54-70.

[17] Id. at 68-69.

[18] Rollo, pp. 30-31. (Emphasis supplied)

[19] Id. at 9.

[20] Tichangco v. Enriquez, G.R. No. 150629, June 30, 2004, 433 SCRA 324, 333.

[21] De la Salle University v. Dela Salle University Employees Association, 386 Phil. 569, 586 (2000), citing Flores v. National Labor Relations Commission, 253 SCRA 494, 497 (1996).

[22] Oaminal v. Castillo, 459 Phil. 542, 556 (2003).

[23] Verde v. Macapagal, G.R. No. 151342, June 23, 2005, 461 SCRA 97, 104.

[24] 379 Phil. 303 (2000).

[25] 394 Phil. 716 (2000).

[26] Galicia v. National Labor Relations Commission, G.R. No. 119649, July 28, 1997, 276 SCRA 381, 386.

[27] Filcon Manufacturing Corporation v. Lakas Manggagawa sa Filcon-Lakas Manggagawa Labor Center, G.R. No. 150166, July 26, 2004, 435 SCRA 209, 226.

[28] article 211 (a), labor code.

[29] G.R. No. 120482, January 27, 1997, 266 SCRA 713, 725.

[30] Master Tours and Travel Corp. v. CA, G.R. No. 105409, March 1, 1993, 219 SCRA 321; United Housing Corporation v. Dayrit, G.R. No. 76422, January 22, 1990, 181 SCRA 285, 293 (1990).

[31] Reformist Union of R.B. Liner, Inc. v. NLRC, supra.

[32] 370 Phil. 150, 163 (1999).

[33] Id. at 164. (Emphasis supplied)

[34] See Galicia v. National Labor Relations Commission, supra note 27.

[35] Supra note 23.

[36] Id. at 312.

[37] The present provision reads in full:

Sec. 23. Authority of attorneys to bind clients.- Attorneys have authority to bind their clients in any case by any agreement in relation thereto made in writing, and in taking appeals, and in all matters of ordinary judicial procedure. But they cannot, without special authority, compromise their client's litigation, or receive anything in discharge of a client's claim but the full amount in cash.

[38] Golden Donuts Inc. v. National Labor Relations Commission, supra note 23, at 312.

[39] Id. at 313, citing *Kaisahan ng mga Manggagawa sa La Campana v. Sarmiento*, 133 SCRA 220, 236 (1984).

[40] Id. at 314-315 (citations omitted). See also *Dusit Hotel Nikko v. National Union of Workers in Hotel and Allied Industries (NUWHRAIN)-Dusit Hotel Nikko Chapter*, G.R. No. 160391, August 9, 2005, 466 SCRA 374.

[41] Id. at 315 (citations omitted).

[42] Rollo, p. 486. (Emphasis supplied)

[43] *Dela Cruz v. Court of Appeals*, G.R. No. 151298, November 17, 2004, 442 SCRA 492, 504, citing *De los Reyes v. De Ugarte*, 75 Phil. 505, 507 (1945).

[44] *Agustilo v. Court of Appeals*, 417 Phil. 218, 227 (2001).

[45] *Cathay Pacific Airways, Ltd. v. National Labor Relations Commission*, 414 Phil. 603, 611 (2001).

[46] Rollo, pp. 30-31.

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