

**ANGELITO CASTRO, RAYMUNDO SAURA AND RAMONITO  
FANUNCION, PETITIONERS, VS. PHILIPPINE LONG DISTANCE  
TELEPHONE COMPANY AND MANUEL V. PANGILINAN,  
RESPONDENTS.**

*G.R. No. 191792. August 22, 2012*

Ponente: PERLAS-BERNABE, J.

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**PERLAS-BERNABE, J.:**

This Petition for Review on Certiorari[1] assails the November 24, 2009 Decision[2] and March 25, 2010 Resolution[3] of the Court of Appeals (CA) in CA-GR. SP No. 72889, which set aside the June 21, 2002[4] and September 11, 2002 Resolutions of the National Labor Relations Commission (NLRC) and directed petitioners, among others, to return the amount of P133,000.00 which they received from respondents by virtue of the Order[5] of the Labor Arbiter dated April 18, 2002.

**The Factual Antecedents**

Respondent Philippine Long Distance Telephone Company (PLDT) is a domestic corporation engaged in telecommunications business. On the other hand, petitioners were among the ninety-four (94) union officers and members who were dismissed by respondent PLDT due to their participation in the strike staged from December 22, 1992 to January 21, 1993 by the Manggagawa ng Komunikasyon sa Pilipinas (MKP), the collective bargaining agent of all rank and file employees of PLDT. The strike was, thereafter, declared illegal and the employees' dismissals were adjudged valid in the Resolution dated February 27, 1998 rendered by the NLRC to which the case was certified for compulsory arbitration.

Meanwhile, during the pendency of the case before the NLRC, the striking employees were admitted back to work in April 1993 subject to the outcome of the pending case. The NLRC Resolution was subsequently upheld by the Court in the Resolution dated August 3, 1998, which eventually attained finality and accordingly entered in the Book of Entries of Judgments.

In separate letters dated January 12, 1999, the concerned employees including petitioners were notified of their termination for cause citing the above Resolutions of the NLRC and the Court. Aggrieved, they filed separate complaints (which were thereafter consolidated) for illegal dismissal, money claims and damages against PLDT, averring that in the intervening time between their return to work in April 1993 and their dismissal on January 12, 1999, PLDT voluntarily extended to a number of the 94 employees the benefit of redundancy/early retirement program, and even promotions to high-ranking positions notwithstanding that the continuance of their employment was subject to the outcome of the pending case. They claimed that the foregoing acts constituted supervening events or voluntary acts amounting to a waiver/ condonation of the effects of the illegality of strike which rendered the NLRC and Supreme Court Resolutions moot and academic.

For its part, PLDT denied any condonation/waiver and interposed the defense of res judicata claiming that the

issue of the validity of the employees' dismissals had already been resolved with finality by the Court.

In the Decision[6] dated March 15, 2000, Labor Arbiter Vicente R. Layawen rejected the claim of *res judicata* and declared the dismissal of the concerned employees illegal. He found PLDT's acts of granting benefits of early retirement/redundancy program, extending promotions, and re-assigning the employees without any reservation or condition and without reference to the pending cases as tantamount to its condonation of their unlawful acts. He thereby ordered PLDT to reinstate them, to pay their backwages with 12% interest per annum from their termination on January 12, 1999 and to pay attorney's fees.

Pending appeal with the NLRC, the concerned employees were reinstated in the payroll and received their salaries from April to December 2000 as well as other benefits.[7]

In the Decision[8] dated December 28, 2000, the NLRC vacated the above decision holding that the intent to waive/condone the effects of the illegal strike was not sufficiently established by the cited circumstances. However, considering that 29 of the employees involved were allowed to avail of early retirement and redundancy benefits, it awarded to the other employees a similar benefit of one-half month pay per year of service as financial assistance on the basis of equitable and humanitarian considerations.

The parties filed their respective petitions for certiorari before the CA, docketed as CA-G.R. SP Nos. 68415 and 68770.[9] However, both petitions were dismissed in the Decision dated March 18, 2005[10] which was affirmed in the Resolution of the Court dated January 16, 2006 in G.R. Nos. 170607-08 that became final and executory and entered in the Book of Entries of Judgments on April 5, 2006.

Meanwhile on March 14, 2001, MKP and PLDT signed a new Collective Bargaining Agreement (CBA), among others, granting all PLDT employees the amount of P133,000.00 each in lieu of wage increases during the first year of the CBA. The CBA was made effective November 9, 2000, the day immediately following the expiration of the old CBA. The concerned employees filed motions for execution before the Labor Arbiter seeking payment of salaries and other benefits granted under the new CBA.

#### The Ruling of the Labor Arbiter

In the Order[11] dated April 18, 2002, Labor Arbiter Jaime M. Reyno adjudged the entitlement of the employees to the payment of the amount of P133,000.00 each granted under the CBA, explaining that the said benefit accrued on November 9, 2000 prior to the reversal by the NLRC on December 28, 2000 of the March 15, 2000 Decision of Labor Arbiter Layawen, and thus, included in the reinstatement aspect of the latter decision pending appeal. He thereby directed respondents to pay the concerned employees the said amount or a total of P6,517,000.00 (later reduced to P6,384,000.00).[12]

#### The Ruling of the NLRC

On appeal, the NLRC sustained the above order in the Resolution<sup>1</sup> dated June 21, 2002, holding that the said grant is no different from the other benefits that were received by petitioners as a consequence of their reinstatement pending appeal.

Upon the employees' motions, Labor Arbiter Reyno ordered PLDT's bank, Equitable PCI Bank, Ayala Locsin Branch, to release the garnished amount of P6,384,000.00 to the Sheriff for deposit with the NLRC cashier,[14] which was subsequently released to the employees.[15]

#### The Ruling of the CA

In the assailed November 24, 2009 Resolution, the CA vacated the NLRC Decision and ordered each petitioner to return the amount of P133,000.00 they received by virtue of the April 18, 2002 Order of Labor Arbiter Reyno. It

found that the concerned employees were no longer employees at the time of the signing of the CBA on March 14, 2001 notwithstanding that its effectivity was made retroactive to November 9, 2000. Thus, not being members of the bargaining unit, they cannot claim benefits under the CBA.

Issue before the Court

In the instant case, petitioners insist that they are entitled to the payment of the CBA-imposed P133,000.00 because the CBA became effective on November 9, 2000 prior to the December 28, 2000 NLRC Decision that declared their dismissal as valid.

On the other hand, respondents contend that the parties to the CBA came to an agreement on the terms and conditions thereof only on March 14, 2001. Hence, since the petitioners were no longer part of the bargaining unit represented by MKP at that time, they can no longer avail of the benefits under the new CBA. Accordingly, the grant to them of the CBA-imposed P133,000.00 per employee is a form of unjust enrichment.

The Court's Ruling

The petition is bereft of merit.

Settled is the rule that the benefits of a CBA extend only to laborers and employees who are members of the collective bargaining unit.[16]

In the present case, the Court's August 3, 1998 Resolution sustaining petitioners' dismissal as a consequence of their participation in the illegal strike became final on January 18, 1999. Accordingly, PLDT informed them of their termination for cause on the basis of the said Resolution. While they challenged their dismissals upon a claim that supervening events evincing an intent on the part of PLDT to waive/condone the effects of the illegal strike had set in which rendered the final Resolution of the Court moot and academic, the Court, in the Resolution dated January 16, 2006 in G.R. Nos. 170607-08, ruled out the presence of supervening events. As such, it is only proper to reckon the termination of petitioners' employment with PLDT to January 18, 1999.

Consequently, petitioners were no longer employees of PLDT nor members of the collective bargaining unit represented by MKP when the CBA was signed on March 14, 2001 or when it became effective on November 9, 2000 and are, thus, not entitled to avail of the benefits under the new CBA. Accordingly, the Court finds no reversible error on the part of the CA in directing each of the petitioners to return the amount of P133,000.00 which they respectively received from respondents.

WHEREFORE, the assailed November 24, 2009 Decision and March 25, 2010 Resolution of the Court of Appeals in CA-GR. SP No. 72889 are hereby AFFIRMED.

**SO ORDERED.**

Velasco, (Chairperson), Peralta Abad, and Mendoza, JJ., concur.

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[1] Rollo, pp. 11-29.

[2] Id. at 241-249. Penned by justice Francisco P. Acosta. with Justices Juan Q. Enriquez, Jr. and Pampio A. Abarintos, concurring.

[3] Id. at 265-266.

[4] Id. at 54-6 J.

[5] Id. at 113-121.

[6] Id. at 78-95.

[7] Resolution dated June 21, 2002, id. at 57.

[8] Id. at 96-111.

[9] Petitioners questioned the NLRC's reversal of the Labor Arbiter's Decision, while respondents assailed the NLRC's award of financial assistance to petitioners.

[10] Penned by Justice Ruben T. Reyes, with Justices Josefina Guevara-Salonga and Fernanda Lampas Peralta, concurring.

[11] Rollo, pp. 113-121.

[12] One of the recipients of the P133,000.00 benefit, Apolonio Constantino, Jr., was subsequently excluded from the list of recipients (id. at 56), thus:

original total amount P6,517,000.00

less: exclusion of Apolonio Constantino (133,000.00)

corrected total amount P6,384,000.00

[13] Id. at 54-61.

[14] Order dated September 26, 2002, id. at 155.

[15] Order dated October 2, 2002, id. at 156.

[16] *Philippine Airlines, Incorporated v. Philippine Airlines Employees Association (PALEA)*, G.R. No. 142399, March 12, 2008, 548 SCRA 117, 130.

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