SECOND DIVISION

[G.R. No. 209116, January 14, 2019]

DANNY BOY C. MONTERONA, JOSELITO S. ALVAREZ, IGNACIO S. SAMSON, JOEY P. OCAMPO, ROLE R. DEMETRIO,[*] AND ELPIDIO P. METRE, JR.,[**] PETITIONERS, V. COCA-COLA BOTTLERS PHILIPPINES, INC. AND GIOVANNI ACORDA,[***] RESPONDENTS.

D E C I S I O N

J. REYES, JR., J.:

Assailed in this petition for review on *certiorari* are the August 30, 2012 Decision[1] and September 3, 2013 Resolution[2] of the Court of Appeals (CA) in CA-G.R. SP No. 116519 which affirmed the June 16, 2010 Decision[3] and the July 30, 2010 Resolution[4] of the National Labor Relations Commission (NLRC) in NLRC LAC No. 05-001038-10, a case for illegal dismissal.

The Antecedents

In September 2003, petitioners Danny Boy C. Monterona (Monterona), Joselito S. Alvarez (Alvarez), Ignacio S. Samson (Samson), Joey P. Ocampo (Ocampo), Role R. Demetrio (Demetrio), Elpidio P. Metre, Jr. (Metre) and their co-employees filed before the Labor Arbiter (LA) a complaint for illegal dismissal with prayer for reinstatement and payment of backwages, damages and attorney's fees (first illegal dismissal case) against respondents Coca-Cola Bottlers Philippines, Inc. (Coca-Cola) and its officer, Giovanni Acorda. They alleged that they were hired by Coca-Cola on various dates from 1986 to 2003. Coca-Cola, however, terminated their employment in August 2003.

In a Decision[5] dated August 30, 2004, the LA dismissed the complaint on the ground of lack of jurisdiction. The LA ruled that no employer-employee relationship existed between Coca-Cola and the complainants because the latter were hired by Genesis Manpower and General Services, Inc. (Genesis), a legitimate job contractor and it was Genesis which exercised control over the nature, extent and degree of work to be performed by the complainants.

On appeal, the NLRC affirmed the LA's Decision.[6] The complainants moved for reconsideration, but the same was denied by the NLRC in a Resolution[7] dated November 29, 2005.

Then, the complainants, except petitioners Monterona, Alvarez, Samson, Ocampo Demetrio and Metre, filed a petition for *certiorari* before the CA. Thereafter, Demetrio was ordered dropped from the case for failure to sign the verification and certification of non-forum shopping despite the appellate court's order.[8] In a

Decision[9] dated December 11, 2006, the CA reversed the ruling of the NLRC and held that there was an employer-employee relationship between the parties. It declared that respondents failed to prove that Genesis had sufficient capital and equipment for the conduct of its business and that the complainants' jobs as route salesmen, drivers and helpers were necessary and desirable in the usual trade or business of Coca-Cola. When respondents moved for reconsideration, the CA denied the motion and further ruled that petitioners Monterona, Alvarez, Samson, Ocampo and Metre should not benefit from the decision because they were not impleaded as petitioners in the petition for *certiorari*. It likewise stated that Demetrio was dropped from the case for not having signed the verification and certification of non-forum shopping, and thus, should not also benefit from the Decision.[10]

Thereafter, respondents filed a petition for review with the Supreme Court but it was denied for being the wrong mode of appeal and for failure to show any reversible error in the assailed Decision.[11] The Resolution denying the appeal became final and executory on July 28, 2008.[12]

Subsequently, on July 14, 2009, petitioners filed before the LA a complaint for illegal dismissal with prayer for reinstatement, payment of backwages, separation pay, service incentive leave pay, 13th month pay, damages and attorney's fees (second illegal dismissal case) against respondents.

The LA Ruling

In an Order[13] dated February 16, 2010, the LA dismissed the complaint on the ground of prescription and *res judicata*. The LA found that Monterona was dismissed from service in May 2002, Metre in February 2003, and Alvarez, Samson, Ocampo and Demetrio in August 2003; thus, four years had elapsed when they filed the case in July 2009. The LA further opined that the second complaint for illegal dismissal and other monetary claims could no longer be entertained on the ground of *res judicata* considering that the first illegal dismissal case had long attained finality. It disposed the case in this wise:

> WHEREFORE, premises considered, the Motion to Dismiss is granted. The instant Complaint is hereby dismissed with prejudice.
>
> SO ORDERED.[14]

Aggrieved, petitioners elevated an appeal to the NLRC.

The NLRC Ruling

In a Decision dated June 16, 2010, the NLRC affirmed the ruling of the LA but only on the ground of *res judicata*. It held that petitioners were among the original complainants in the first illegal dismissal case and the second illegal dismissal case involved the same cause of action and relief as the first case. The *fallo* reads:

> WHEREFORE, the appeal filed by complainants is hereby DENIED for lack of merit. The decision dated 16 February 2010 is AFFIRMED.
>
> SO ORDERED.[15]

Petitioners moved for reconsideration but the same was denied by the NLRC in a Resolution[16] dated July 30, 2010.

The CA Ruling

In a Decision dated August 30, 2012, the CA dismissed the appeal on the ground of laches and estoppel. It noted that when a petition for *certiorari* involving the first case was filed, Demetrio was ordered dropped from the case because he did not sign the verification and certification of non-forum shopping. But he did not act on it by seeking reconsideration of the court's order. The appellate court further observed that when the other petitioners were excluded from the petition for *certiorari* because they were not impleaded as petitioners, no action was taken by any of them. It added that if petitioners were really interested in the outcome of the first illegal dismissal case, they should have acted at the earliest opportunity, i.e., when they were declared dropped or excluded from the case. The CA likewise pronounced that petitioners did not attempt to seek relief from the Supreme Court. The *fallo* reads:

> **WHEREFORE**, the petition is **DISMISSED**. The assailed Decision and Resolution promulgated on June 16, 2010 and July 30, 2010, respectively, of the National Labor Relations Commission in NLRC CA NO. 041888-04 are **AFFIRMED**.
>
> **SO ORDERED.**[17]

Petitioners moved for reconsideration, but the same was denied by the CA in a Resolution[18] dated September 3, 2013. Hence, this petition for review on *certiorari* wherein petitioners raised the following issue:

> THE HONORABLE COURT OF APPEALS ERRED IN DISMISSING THE PETITION ON THE GROUND OF LACHES AND ESTOPPEL.[19]

Petitioners argue that *res judicata* is not applicable because the Decision on the first illegal dismissal case could not be considered as judgment on the merits as it merely dropped them as parties to the case on the basis of failure to sign the verification and certification of non-forum shopping; that their interest in pursuing the case is shown by their act of filing the second complaint for illegal dismissal on July 14, 2009, less than a year after the Decision on the first illegal dismissal case attained finality on July 28, 2008; and that their substantial rights should not be sacrificed in favor of technicalities.[20]

In their Comment,[21] respondents counter that petitioners did not raise any objection when they were excluded from the proceedings in the first illegal dismissal case; that petitioners failed to present any valid reason for the long delay in prosecuting their cause; and that their inaction is graver than mere lack of vigilance and the CA had clear legal and factual bases for the dismissal of the petition on the ground of laches and estoppel.

In their Reply,[22] petitioners contend that *res judicata* is not applicable because there was no identity of parties considering that there were only six complainants in the second case; that they are also entitled to the monetary award had they not been dropped from the case; and that since rules of procedure are mere tools designed to facilitate the attainment of justice, their strict and rigid application which would result in technicalities that tend to frustrate rather than promote substantial justice must always be avoided.

The Court's Ruling

The petition lacks merit.

Res judicata means "a matter adjudged; a thing judicially acted upon or decided; a thing or matter settled by judgment." It lays the rule that an existing final judgment or decree rendered on the merits, without fraud or collusion, by a court of competent jurisdiction, upon any matter within its jurisdiction, is conclusive of the rights of the parties or their privies, in all other actions or suits in the same or any other judicial tribunal of concurrent jurisdiction on the points and matters in issue in the first suit.[23]

The doctrine of *res judicata* embodied in Section 47, Rule 39 of the Rules of Court provides:

> SEC. 47. *Effect of judgments or final orders*.—
>
> The effect of a judgment or final order rendered by a court of the Philippines, having jurisdiction to pronounce the judgment or final order, may be as follows:
>
> xxxx
>
> (b) In other cases, the judgment or final order is, with respect to the matter directly adjudged or as to any other matter that could have been [missed] in relation thereto, conclusive between the parties and their successors in interest by title subsequent to the commencement of the action or special proceeding, litigating for the same thing and under the same title and in the same capacity; and
>
> (c) In any other litigation between the same parties or their successors in interest, that only is deemed to have been adjudged in a former judgment or final order which appears upon its face to have been so adjudged, or which was actually and necessarily included therein or necessary thereto.

The above-quoted provision embraces two concepts of *res judicata*: (1) bar by prior judgment as enunciated in Rule 39, Section 47(b); and (2) conclusiveness of judgment in Rule 39, Section 47(c). *Oropeza Marketing Corporation v. Allied Banking Corporation*[24] differentiated between the two rules of *res judicata*:

> There is "bar by prior judgment" when, as between the first case where the judgment was rendered and the second case that is sought to be barred, there is identity of parties, subject matter, and causes of action. In this instance, the judgment in the first case constitutes an absolute bar to the second action. Otherwise put, the judgment or decree of the court of competent jurisdiction on the merits concludes the litigation between the parties, as well as their privies, and constitutes a bar to a new action or suit involving the same cause of action before the same or any other tribunal.
>
> But where there is identity of parties in the first and second cases, but no identity of causes of action, the first judgment is conclusive only as to those matters actually and directly controverted and determined and not