

## THIRD DIVISION

[ G.R. No. 191792, August 22, 2012 ]

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

### RESOLUTION

**PERLAS-BERNABE, J.:**

This Petition for Review on Certiorari<sup>[1]</sup> assails the November 24, 2009 Decision<sup>[2]</sup> and March 25, 2010 Resolution<sup>[3]</sup> of the Court of Appeals (CA) in CA-GR. SP No. 72889, which set aside the June 21, 2002<sup>[4]</sup> 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<sup>[5]</sup> 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<sup>[6]</sup> 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.<sup>[7]</sup>

In the Decision<sup>[8]</sup> 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.<sup>[9]</sup> However, both petitions were dismissed in the Decision dated March 18, 2005<sup>[10]</sup> 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<sup>[11]</sup> 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