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FIRST DIVISION

[G.R. No. 165550, October 08, 2008]

STANDARD CHARTERED BANK, PETITIONER, VS. STANDARD CHARTERED BANK EMPLOYEES UNION (SCBEU), RESPONDENT.

D E C I S I O N

LEONARDO-DE CASTRO, J.:

Before this Court is the *Petition for Review on Certiorari* under Rule 45 of the Rules of Court of Standard Chartered Bank assailing the *Decision*[1] dated July 1, 2004 as well as the *Resolution*[2] dated September 23, 2004 of the Court of Appeals (CA) in CA-G.R. SP No. 71448. The questioned Decision and Resolution of the appellate court affirmed the *Orders*[3] dated March 11, 2002 and April 29, 2002 of the Department of Labor and Employment (DOLE) which sustained the outpatient medicine reimbursements of the employees of petitioner as well as the maternity benefits of the spouses of its male employees. Respondent Standard Chartered Bank Employees Union (SCBEU) filed its *Comment* (to the petition)[4] on March 28, 2005 and petitioner filed its *Reply*[5] thereto on June 21, 2005.

The facts are culled from the records of the case.

On August 25, 1998, petitioner Standard Chartered Bank entered into a Collective Bargaining Agreement[6] (CBA) with respondent Standard Chartered Bank Employees Union (SCBEU), which provided, among others, for medical benefits. Under Article XI, Section 1 of the CBA, petitioner committed to "continue to cover all its employees with a group hospitalization and major surgical insurance plan including maternity benefits."[7] At the time of the signing of the said CBA, the group hospitalization insurance plan in force was Group Policy No. P-1620 issued by the Philippine American Life (Philamlife) Insurance Company with an effective date of March 3, 1977.[8]

After the signing of the CBA, petitioner changed its insurance provider from Philamlife to Maxicare, a Health Maintenance Organization, to allegedly provide its employees with improved medical benefits under the CBA.

Subsequently, respondent charged petitioner with unfair labor practice before the DOLE for alleged gross violation of the economic provisions of the CBA and diminution or removal of benefits. Respondent contested, among others, the exclusion of the outpatient medicine reimbursements of the employees and the maternity benefits granted to the spouses of the male employees of petitioner in the new insurance policy provided by Maxicare.

In support of its allegations, respondent presented a letter addressed to petitioner's Personnel Manager from the Group Marketing Officer of Philamlife and documents

indicating reimbursements for outpatient services to prove that the petitioner's employees had been enjoying outpatient medicine reimbursements. Respondent also cited Schedule L of the CBA and affidavits of employees to prove that the spouses of the male employees of petitioner were entitled to maternity benefits.

Petitioner, in turn, argued that there was no diminution of benefits as the insurance policy issued by Maxicare contained similar benefits to those contained in the previous Philamlife policy. Petitioner alleged that outpatient medicine reimbursement was not expressly provided for in the Philamlife insurance policy and that this was precisely the reason petitioner's employees were provided with a medicine allowance under the CBA. Petitioner also contended that the maternity benefits as provided in the CBA were exclusive to its female employees and that the past practices cited by the respondent were "malpractices" which it seeks to curtail and correct.

In a *Decision* dated May 31, 2001, the DOLE gave credit to the claims of respondent. It ruled that the "outpatient benefit [had] been a regular feature of the [petitioner's] medical coverage and as a regular feature, cannot be withdrawn unilaterally."[9] The insurance policy issued by Philamlife allowed outpatient benefits as claims against maximum disablement, notwithstanding the lack of an express provision regarding outpatient benefits. Moreover, the DOLE found that petitioner acknowledged, without disapproval or objection, employees' requests for reimbursement of outpatient medical expenses under the old insurance plan. The DOLE also held that the spouses of the male employees of petitioner were entitled to maternity benefits as a matter of practice. This finding was supported by the claims for reimbursement of maternity expenses of the spouses of bank employees covering the period from 1984 to 1998. The 1984 claims indicated that the same were approved by petitioner and that there was no showing that it disapproved or challenged the other claims. The DOLE said that these circumstances negated petitioner's contention that there was a mistake in the processing of claims for the said maternity benefits.

In an *Order*[10] dated October 5, 2001, the DOLE acted on the separate motions for reconsideration of the parties and sustained its earlier findings but reversed its ruling that the maternity benefits granted by petitioner extend to the spouses of its male employees. Respondent allegedly failed to dispute the assertion of petitioner that there were only three out of four claims covering the period of twenty years that were processed by Philamlife. The DOLE was convinced that there was no voluntary practice of giving said maternity benefits to spouses of male employees.

Respondent filed a second motion for reconsideration[11] and contended that it submitted documentary evidence showing that there were nine claims of the subject maternity benefits that were processed and approved. These were in addition to the four affidavits of bank employees attesting to the fact that the medical hospitalization plan of Philamlife included such maternity benefits. Respondent further pointed out that these benefits were even integrated in the CBA.

In the assailed *Order* dated March 11, 2002, the DOLE reverted to its original ruling that the spouses of male employees of petitioner were entitled to maternity benefits. Petitioner disagreed and filed a second motion for reconsideration to this ruling and a motion for clarification regarding the grant of "outpatient benefits" to the employees. In a subsequent *Order* dated April 29, 2002, the DOLE denied the

said motion and clarified that the grant of outpatient benefits includes medicine reimbursements.

Petitioner elevated this case before the appellate court through a special civil action for certiorari under Rule 65 of the Rules of Court. The said court dismissed the petition and affirmed the assailed *Orders* dated March 11, 2002 and April 29, 2002 of the DOLE and held that the basis for the grant of the subject maternity benefits was Schedule L of the CBA of the parties. The appellate court likewise denied petitioner's motion for reconsideration thereto for lack of merit.

Hence, the instant petition for review on certiorari.

Petitioner assails the rulings of the appellate court on the ground that the same are not in accord with evidence, law, and the applicable decisions of this Court and raises the following issues:

ISSUES

A. Whether or not, **on the basis of evidence on record**, the appellate court is correct in ruling that spouses of male employees are entitled to maternity benefits despite its own finding that there was no established company practice of granting maternity benefits to male employees' spouses; and

B. Whether or not, **on the basis of the evidence on record**, the appellate court is correct in ruling that there is an established company practice of granting outpatient medicine reimbursements to petitioner's employees.

Anent the first issue, petitioner claims that the spouses of its male employees are not entitled to maternity benefits as these are exclusively intended for its female employees. It is petitioner's view that the CA erred in finding that Schedule L of the CBA obligates it to pay maternity benefits to spouses of its male employees, despite ruling that there is no company practice granting maternity benefits to such persons.

According to petitioner, the literal interpretation of Schedule L of the CBA is not the real intention of the parties to the contract. Such an interpretation is purportedly iniquitous to the bank as the same will also mean (a) that the children of married employees and the mothers of single employees will enjoy the same benefits and (b) that the spouses of the male employees who also happen to be employed in the bank or any other company will benefit twice. Schedule L of the CBA should instead be read compatibly with the provisions of the contract itself to determine the real intention of the parties thereto.

Petitioner points out Section 1 of Article XI of the CBA and claims that this provision shows that the maternity benefits provided in Schedule L extend only to its employees, thus, the spouses of its male employees are not entitled to these benefits. Petitioner asserts that the CBA would have stated expressly that spouses of male employees are entitled to the said benefit had this been the intention of the parties, similar to the provision granting of advances and medicine allowances to the employees and their dependents. Moreover, the CA allegedly erred in applying Article 4 of the Labor Code in interpreting Schedule L of the CBA instead of Articles

1370-1379 of the Civil Code.

Petitioner adds that its previous medical insurance policy which was provided by Philamlife granted insurance benefits only to its "regular, full-time employees" and that there is nothing in the said policy granting maternity benefits to the spouses of its male employees. Hence, petitioner asserts that the CA, having correctly ruled that petitioner had no company practice of extending such benefits to the spouses of its male employees, should not have granted such benefits on the basis of Schedule L of the CBA.

Anent the second issue, petitioner claims that the appellate court erred in ruling that its employees are entitled to "outpatient medicine reimbursements" distinct and separate from the "medicine allowances" granted in the CBA. This would allegedly result in the unjust enrichment of the employees at the expense of petitioner.

In its *Comment*, respondent contends that the instant petition must fail as it raises questions of fact when it should be limited to questions of law. Respondent adds that there is no real and material conflict between the findings of fact of the DOLE and the appellate court so as to claim that this case is an exception to the rule that only questions of law are elevated to this Court under Rule 45 of the Rules of Court. The appellate court allegedly shares the conclusion of the DOLE that the maternity benefits granted to the employees extend to the spouses of the male employees of petitioner although the basis for the ruling is not anchored on an established company practice but rather on the basis of Schedule L of the CBA.

In its *Reply*, petitioner claims that "when the facts are undisputed, then the question of whether or not the conclusion drawn therefrom by the Court of Appeals is correct is a question of law." [12] The issues before this Court are thus questions of law because petitioner seeks the review of the "evidence on record and the conclusion drawn by the appellate court."

In the alternative, petitioner further asserts that assuming the issues raised are questions of fact, this Court is still not precluded from taking cognizance of the case as the same falls within the exceptions laid in the case of *Fuentes v. Court of Appeals.*[13] The factual findings of the CA may be reviewed by this Court (i) when the appellate court fails to notice certain relevant facts which will justify a different conclusion; and (ii) when the findings of fact are conflicting. Petitioner points out that the appellate court erroneously concluded that the spouses of its male employees are entitled to maternity benefits on the basis of Schedule L of the CBA despite finding that there is no company practice of granting the said benefit. Petitioner adds that this finding is consistent with the finding of the DOLE that the said company practice does not exist.

The petition is bereft of merit.

With respect to the procedural issue, we agree with respondent that the issues raised by the bank are essentially questions of fact that cannot be the subject of this petition for review on *certiorari*. Section 1 of Rule 45 of the Rules of Court provides that only questions of law may be raised on appeal by *certiorari*. Well-settled in our jurisprudence is the principle that this Court is not a trier of facts and that it is neither the function of this Court to analyze or weigh the evidence of the parties all

over again.[14] The ruling in *Microsoft Corporation v. Maxicorp, Inc.*[15] elucidates the distinction of a question of law and a question of fact as follows:

> ... A question of law exists when the doubt or difference centers on what the law is on a certain state of facts. A question of fact exists if the doubt centers on the truth or falsity of the alleged facts.
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> xxx xxx xxx
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> There is a question of law if the issue raised is capable of being resolved without need of reviewing the probative value of the evidence. **The resolution of the issue must rest solely on what the law provides on the given set of circumstances. Once it is clear that the issue invites a review of the evidence presented, the question posed is one of fact.** If the query requires a re-evaluation of the credibility of witnesses, or the existence or relevance of surrounding circumstances and their relation to each other, the issue in that query is factual. Our ruling in *Paterno v. Paterno* is illustrative on this point:
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> > **Such questions as whether certain items of evidence should be accorded probative value or weight, or rejected as feeble or spurious, or whether or not the proofs on one side or the other are clear and convincing and adequate to establish a proposition in issue, are without doubt questions of fact.** Whether or not the body of proofs presented by a party, weighed and analyzed in relation to contrary evidence submitted by adverse party, may be said to be strong, clear and convincing; whether or not certain documents presented by one side should be accorded full faith and credit in the face of protests as to their spurious character by the other side; whether or not inconsistencies in the body of proofs of a party are of such gravity as to justify refusing to give said proofs weight - all these are issues of fact. [Emphasis supplied]

Petitioner wants this Court to determine if (i) the maternity benefits provided to its female employees extend to the spouses of its male employees and if (ii) its employees are entitled to "outpatient medicine reimbursements" as a matter of company practice. Indeed, petitioner, in phrasing the issues in this Petition, urges this Court to scrutinize the "evidence based on record." Such language militates against petitioner's contention that the Petition involves purely questions of law.

We disagree with petitioner that the conclusion drawn by the appellate court from the "evidence based on record" is a question of law. This is the opposite definition of a question of law. Petitioner's reliance on the ruling in *Commissioner of Immigration v. Garcia*[16] that "when the facts are *undisputed*, then the question of whether or not the conclusion drawn therefrom by the Court of Appeals is correct is a question of law" is misplaced. In the present case, the facts are disputed. Respondent claims that there is an existing company practice entitling petitioner's employees to "outpatient medicine reimbursements" and entitling the spouses of its male employees to maternity benefits. Petitioner persistently argues the contrary. Both parties point to their CBA and various documents inclined to prove or disprove their