

SECOND DIVISION

[G.R. No. 172584, November 28, 2008]

**EDMUNDO Y. TORRES, JR. AND MANUEL C. CASTELLANO,
PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION,
FOURTH DIVISION, AND SAN MIGUEL CORPORATION,
RESPONDENTS.**

DECISION

TINGA, J.:

Petitioners assail the Decision^[1] of the Court of Appeals in CA-G.R. SP No. 77489 dated July 5, 2005, which affirmed the Decision^[2] and Resolution^[3] of the National Labor Relations Commission (NLRC) in NLRC Case No. V-000593-2000, and its Resolution^[4] dated April 11, 2006, denying reconsideration.

The undisputed facts are narrated by the Court of Appeals as follows:

The petitioners Edmundo Y. Torres and Manuel C. Castellano are former Regional Sales Manager and District Sales Supervisor, respectively, of private respondent San Miguel Corporation (SMC), Bacolod Beer Region, Sum-ag, Bacolod City.

The petitioners were among the many employees of the private respondent who retired from employment effective on April 15, 1984 pursuant to private respondent SMC's Retirement Plan. Believing that they were constructively forced to retire from employment and that their separation from employment was illegal, on March 14, 1984, the petitioners, along with other separated employees, filed a complaint for illegal dismissal against SMC with the National Labor Relations Commission (NLRC), Regional Arbitration Branch No. VI, Bacolod City. The case was docketed as RAB-VI Case No. 0372-84. It was assigned to then Labor Arbiter Oscar S. Uy for the proper disposition thereof. Proceedings were conducted by the said labor arbiter.

After the petitioners and private respondent SMC had presented their evidence and position papers, the case was considered as submitted for decision.

On September 16, 1988, Labor Arbiter Oscar S. Uy rendered a Decision in RAB-VI Case No. 0372-84 dismissing all the claims of the petitioners against the respondent SMC, ratiocinating as follows:

x x x

WHEREFORE, premises considered, judgment is hereby rendered DISMISSING all the claims of the complainants' against the respondent for lack of merit.

SO ORDERED.

On October 21, 1988, petitioners (complainants in RAB-VI-Case No. 0372-84) appealed from the aforesaid Decision to public respondent NLRC, Fourth Division in Cebu City which, on August 21, 1992, handed down a Decision reversing in part that of the Labor Arbiter, disposing as follows:

WHEREFORE, in view of the foregoing, the appealed Decision is hereby SET ASIDE, and another one entered declaring the complainants Gabriel Z. Abad, George A. Teddy, Jr. and Manuel J. Chua to have been validly retired. Respondent San Miguel Corporation is hereby ordered to immediately reinstate complainants Manuel C. Castellano and Edmundo Y. Torres, Jr. to their former or equivalent positions without loss of seniority rights and to pay complainants Manuel C. Castellano the amount of P73,905.84 and Edmundo Y. Torres, Jr. the amount P108,915.00 representing their back salaries for three (3) years after deducting the sum of P47,954.16 and P75,255.00 they received as retirement pay.

SO ORDERED.

Not satisfied with the above-quoted Decision of the NLRC, private respondent SMC filed a Motion for Reconsideration, but the same was denied by the NLRC in its Resolution dated October 19, 1992. Consequently, it appealed from the same through a petition for certiorari to the Supreme Court which, on July 23, 1998, rendered a Decision affirming *in toto* that of the NLRC. The dispositive portion of the Supreme Court Decision reads as follows:

WHEREFORE, for lack of merit, the petition is hereby DISMISSED and the assailed Decision of the NLRC dated August 21, 1992 is affirmed in its entirety. No pronouncement as to cost.

SO ORDERED.

Subsequently, the aforesaid Decision of the Supreme Court became final and executory on March 22, 1999, as evidenced by the Entry of Judgment issued by it. So, on August 11, 1999, the petitioners filed a Motion for Execution of the Decision in their favor at the Regional Arbitration Branch VI, Bacolod City.

As a consequence, private respondent SMC partially complied with the Decision by paying the monetary awards in favor of the petitioners Torres and Castellano in the amounts of P108,915.00 and P73,905.84, respectively, representing their back salaries for three (3) years after deducting the sums of P75,255.00 and P47,954.16 that they received,

respectively, from SMC as Retirement Pay.

Then, the petitioners, in an effort to cause the amendment of the 1992 NLRC Decision, filed a Motion for Computation and Satisfaction of Back Salaries, praying for the issuance of an Order directing the private respondent SMC to pay them the sums of P9,218,205.00 and P5,268,455.50 respectively, representing purportedly their back salaries and other benefits from September 9, 1992 up to November 1999 with the corresponding prayer for the issuance of a Writ of Execution for the satisfaction thereof, invoking the Supreme Court ruling in *Pioneer Texturizing Corporation v. NLRC*, G.R. No. 118651, October 16, 1997, granting full back wages to illegally dismissed employees.

On November 23, 1999, the private respondent SMC filed its Opposition to petitioners' Motion for Computation and Satisfaction of Back Salaries by arguing, among others, that the petitioners' claim has no legal basis considering that, in the final and executory Decision of public respondent NLRC, dated August 21, 1992, which was already affirmed by the Supreme Court, petitioner Castellano was merely awarded the amount of P73,905.84, while petitioner Torres, Jr. was awarded the amount of P108,915.00, representing their back salaries for three (3) years after deducting the sums of P47,954.16 and P75,255.00 respectively, that they received as retirement pay from SMC.

Surprisingly, on December 27, 1999, the Executive Labor Arbiter Oscar S. Uy, thinking that he had the corresponding authority, issued an Order granting the petitioners' Motion for Computation of Back Salaries, the dispositive portion of which reads:

PREMISES CONSIDERED, respondent San Miguel Corporation thru its authorized agent/s and/or personnel is hereby ordered to pay complainants EDMUNDO Y. TORRES, JR. and MANUEL CASTELLANO the sum of P9,218,205.00 and P5,268,455.00 respectively within ten (10) days from receipt of this Order.

SO ORDERED.

Aggrieved, private respondent SMC appealed from the aforesaid Order of the Executive Labor Arbiter to the public respondent NLRC, Fourth Division in Cebu City.

But again, on February 2, 2000, the petitioners filed another Motion to direct the private respondent SMC to comply strictly with the 1992 NLRC Decision relative to their reinstatement with the Executive Labor Arbiter granted in his Order dated March 15, 2000. The dispositive portion of the said Order reads as follows:

PREMISES CONSIDERED, the respondent corporation is hereby ordered to pay Edmundo Y. Torres, Jr. and Manuel C. Castellano effective January 2000 their monthly basic salary of P60,000.00 and P45,000.00 respectively, within ten (10) days after receipt hereof.

SO ORDERED.

Private respondent SMC again timely appealed from the aforecited Order to the public respondent NLRC.

On May 18, 2000, the petitioners filed with the Executive Labor Arbiter Oscar S. Uy a Motion for Execution to enforce or satisfy the latter's Order dated March 15, 2000 which the latter granted in his Order dated June 16, 2000, pursuant to which a Writ of Execution was issued at even date.

On September 12, 2001, public respondent NLRC promulgated a Decision in two appealed cases filed with it by the private respondent SMC relative to the 1999 and March 15, 2000. The dispositive portion of the said Decision reads as follows:

WHEREFORE, the questioned Orders are SET ASIDE and a new one entered declaring that complainants are NOT entitled to backwages.

SO ORDERED.

Aggrieved thereby, on October 29, 2001, the petitioners filed a Motion for Reconsideration of the said Decision. On March 20, 2003, public respondent NLRC promulgated a Resolution denying the petitioners' Motion for Reconsideration.

Not satisfied with the foregoing Decision and Resolution promulgated by the respondent NLRC, the petitioners are assailing them for having been purportedly promulgated by the said respondent with grave abuse of discretion.^[5]

The Court of Appeals upheld the decision and resolution of the NLRC. According to the appellate court, although the NLRC ordered the immediate reinstatement of petitioners in its August 21, 1992 decision, the order was not self-executory because the rule decreeing an order for reinstatement immediately executory was only enunciated by the Court in its decision in *Pioneer Texturizing Corp. v. NLRC*^[6] dated October 16, 1997. Petitioners should have moved for the issuance of a writ of execution of the NLRC decision. However, petitioners only moved for the execution of the NLRC decision on August 11, 1999.

The appellate court further ruled that San Miguel Corporation's (SMC's) retirement plan, under which it has the prerogative to retire its employees after 20 years of service or upon reaching the age of 60, binds petitioners. Accordingly, petitioners may no longer be reinstated having already reached retirement age.

The appellate court denied reconsideration.

Unsurprisingly, petitioners filed the instant Petition for Review on Certiorari^[7] dated June 1, 2006, arguing that the *Pioneer* case has a curative effect such that upon SMC's receipt of the August 21, 1992 NLRC decision on September 9, 1992, it should have informed petitioners whether it would re-admit them to work under the