

## FIRST DIVISION

[ G.R. No. 149434, June 03, 2004 ]

**PHILIPPINE APPLIANCE CORPORATION (PHILACOR),  
PETITIONER, VS. THE COURT OF APPEALS, THE HONORABLE  
SECRETARY OF LABOR BIENVENIDO E. LAGUESMA AND UNITED  
PHILACOR WORKERS UNION-NAFLU, RESPONDENTS.**

### D E C I S I O N

**YNARES-SANTIAGO, J.:**

Before us is an appeal by certiorari under Rule 45 of the Rules of Court which seeks to set aside the decision<sup>[1]</sup> of the Court of Appeals in CA-G.R. SP No. 59011, denying due course to petitioner Philippine Appliance Corporation's partial appeal, as well as the Resolution<sup>[2]</sup> of the same court, dated August 10, 2001, denying the motion for reconsideration.

Petitioner is a domestic corporation engaged in the business of manufacturing refrigerators, freezers and washing machines. Respondent United Philacor Workers Union-NAFLU is the duly elected collective bargaining representative of the rank-and-file employees of petitioner. During the collective bargaining negotiations between petitioner and respondent union in 1997 (for the last two years of the collective bargaining agreement covering the period of July 1, 1997 to August 31, 1999), petitioner offered the amount of four thousand pesos (P4,000.00) to each employee as an "early conclusion bonus". Petitioner claims that this bonus was promised as a unilateral incentive for the speeding up of negotiations between the parties and to encourage respondent union to exert their best efforts to conclude a CBA. Upon conclusion of the CBA negotiations, petitioner accordingly gave this early signing bonus.<sup>[3]</sup>

In view of the expiration of this CBA, respondent union sent notice to petitioner of its desire to negotiate a new CBA. Petitioner and respondent union began their negotiations. On October 22, 1999, after eleven meetings, respondent union expressed dissatisfaction at the outcome of the negotiations and declared a deadlock. A few days later, on October 26, 1999, respondent union filed a Notice of Strike with the National Conciliation and Mediation Board (NCMB), Region IV in Calamba, Laguna, due to the bargaining deadlock.<sup>[4]</sup>

A conciliation and mediation conference was held on October 30, 1999 at the NCMB in Imus, Cavite, before Conciliator Jose L. Velasco. The conciliation meetings started with eighteen unresolved items between petitioner and respondent union. At the meeting on November 20, 1999, respondent union accepted petitioner's proposals on fourteen items,<sup>[5]</sup> leaving the following items unresolved: wages, rice subsidy, signing, and retroactive bonus.<sup>[6]</sup>

Petitioner and respondent union failed to arrive at an agreement concerning these four remaining items. On January 18, 2000, respondent union went on strike at the petitioner's plant at Barangay Maunong, Calamba, Laguna and at its washing plant at Parañaque, Metro Manila. The strike lasted for eleven days and resulted in the stoppage of manufacturing operations as well as losses for petitioner, which constrained it to file a petition before the Department of Labor and Employment (DOLE). Labor Secretary Bienvenido Laguesma assumed jurisdiction over the dispute and, on January 28, 2000, ordered the striking workers to return to work within twenty-four hours from notice and directed petitioner to accept back the said employees.<sup>[7]</sup>

On April 14, 2000, Secretary Laguesma issued the following Order:<sup>[8]</sup>

In view of the foregoing, we fix the wage increases at P30 per day for the first year and P25 for the second year.

The rice subsidy and retroactive pay base are maintained at their existing levels and rates.

Finally, this Office rules in favor of Company's proposal on signing bonus. We believe that a P3,000 bonus is fair and reasonable under the circumstances.

WHEREFORE, premises considered, Philippine Appliance Corporation and United Philacor Workers Union-NAFLU are hereby directed to conclude a Collective Bargaining Agreement for the period July 1, 1999 to June 30, 2001. The agreement is to incorporate the disposition set forth above and includes other items already agreed upon in the course of negotiation and conciliation.

SO ORDERED. (Emphasis supplied)

On April 27, 2000, petitioner filed a Partial Motion for Reconsideration<sup>[9]</sup> stating that while it accepted the decision of Secretary Laguesma, it took exception to the award of the signing bonus. Petitioner argued that the award of the signing bonus was patently erroneous since it was not part of the employees' salaries or benefits or of the collective bargaining agreement. It is not demandable or enforceable since it is in the nature of an incentive. As no CBA was concluded through the mutual efforts of the parties, the purpose for the signing bonus was not served. On May 22, 2000, Secretary Laguesma issued an Order<sup>[10]</sup> denying petitioner's motion. He ruled that while the bargaining negotiations might have failed and the signing of the agreement was delayed, this cannot be attributed solely to respondent union. Moreover, the Secretary noted that the signing bonus was granted in the previous CBA.

On June 2, 2000, petitioner filed a Petition for Certiorari with the Court of Appeals docketed as CA-G.R. SP No. 59011 which was dismissed. The Labor Secretary's award of the signing bonus was affirmed since petitioner itself offered the same as an incentive to expedite the CBA negotiations. This offer was not withdrawn and was still outstanding when the dispute reached the DOLE. As such, petitioner can no longer adopt a contrary stand and dispute its own offer.