

THIRTEENTH DIVISION

[CA-G.R. SP NO. 130092, March 31, 2015]

CANLUBANG PLANT COCA-COLA EMPLOYEES UNION (CPCCEU), BRENDON N. ENRIQUEZ, JUNAR S. TORRES, ALLAN L. ESPARAGO, CARLITO V. MARTINEZ, MIGUEL JAHSON M. ARUELO, RONALDO L. RAYOS, CEASAR M. MARANA, ROMEO P. REYNOSO, HENDRIX JOHN G. DE JESUS, MARVIN E. HABANA, CHRISTOPHER T. PERNEZ, LITO G. DE SOLA, ROBERT S. AUSTRIA, ARNEL MIRANA, RANDY P. CANLOBO, DANILO DE CHAVEZ JR., ARMAN L. CASTILLO, MAXIMO P. LIBANG, CESARIO A. EVANGELISTA, JERUEL N. GONZALES, DOMINIC L. LEUS, ENRICO G. JUNIO, ALBERT F. RESUMA, RICHARD M. ZAMORA, JOSE EMMANUEL LASIAN, RABEL MONTEVERDE, ELMAR B. CENTENO, HERMINIO N. LOPEZ, NORMANDEE L. REFUGIO, ROSIE S. DEL MUNDO, BERNARD P. PERALTA, CRISANTO PANGHULAN, NOEL N. ALDABE, GREGORIO D. LADRA, FRANCIS T. NAHIAL, ARIES L. MERCADO, DENNIS P. BRIONES, RONALD V. MENDOZA, RENE G. LEUS, FRANKLIN G. PAGA, GABRIEL D. CAPALE, RHODEL B. GOTIONGCO, WARNEL R. BASILISCO, DIONICIO C. CAPACIO, ROLDAN L. RAMOS, GILBERT G. GONZALES, RAUL V. PANGHULAN, CARY CLARK M. BUENDIA, ROMANDO B. PASCUA, DANIEL M. TARCATECAN, ANTHONY P. OCAMPO II, ARMANDO Q. QUIROZ, ROMEL G. CRUZ, JESSE S. LLANTO, TEODORO D. ANDUQUE JR., ALBERTO P. ZULUETA, RAMIL B. PANGHULAN, JOSEPH R. RETANAN, ERWIN B. BULACLAC, MICHAEL M. SABA, BRYAN M. NATIVIDAD, DONDON M. AQUINO, GIL C. DELA PENA, JONATHAN B. ORDONEZ, ARNEL C. MANALANG, RYAN L. GARCIA, DENNIS A. REGODON, JULIUS S. FRANCO, ARTHUR M. BARILAMAT, ARIES DESALLA MERCADO, RESTY M. LADRA, NELSON P. MANAIG, SHALAKO P. ARELAS, JOHNDIRK M. CARINO, FORTUNATO P. RUBIO, KRISTIAN A. NOVA, VICTOR L. TERRIBLE, VIDAL P. PAGCALIWAGAN, NOEL C. TIONGCO, FELIX A. LIZARDO, RONA LYN C. REANO, DINDO V. PINEDA, NELSON C. LOPEZ, ABUNDIO G. SABA, ISMAEL L. LEUS, JOSELITO L. EVANGELISTA, VAL E. VILLARICO, JOHN BARRA, MARIANE MACARAIG, WENCY PIOQUID, SEBASTIAN MACARAIG, JHERIC FRANCIA, ENRIQUE REYES, NORMAN M. CASTRO AND ANSELMO G. LOGO, PETITIONERS, VS. COCA-COLA BOTTLERS PHILIPPINES, INC. AND BILL SCHULTZ, RESPONDENTS.

DECISION

CORALES, J.:

This is a Petition for *Certiorari*^[1] under Rule 65 of the Rules of Court seeking the annulment of the January 31, 2013^[2] and March 12, 2013^[3] Resolutions of the

National Labor Relations Commission (NLRC) in NLRC CN. RAB-IV-06-05297-11-L. The first assailed Resolution denied petitioners' appeal from the July 10, 2012 Decision^[4] of the Labor Arbiter which dismissed their consolidated complaints for payment of bonuses and attorney's fees against private respondents Coca-Cola Bottlers Philippines, Inc. (CCBPI) and Bill Schultz (Schultz). The second Resolution denied petitioners' subsequent motion for reconsideration.

The Antecedents

CCBPI is a corporation engaged in the business of production, sale, marketing, and distribution of carbonated drinks and other beverage items all over the Philippines. At the time material to the controversy, Schultz is the President of CCBPI.

On the other hand, petitioner Canlubang Plant Coca-Cola Employees Union is the sole and exclusive bargaining agent of the following regular rank and file employees of CCBPI: Brendo N. Enriquez, Junar S. Torres, Allan L. Esparago, Carlito V. Martinez, Miguel Jahson M. Aruelo, Ronaldo L. Rayos, Ceasar M. Marana, Romeo P. Reynoso, Hendrix John G. De Jesus, Marvin E. Habana, Christopher T. Pernez, Lito G. De Sola, Robert S. Austria, Arnel Mirana, Randy P. Canlobo, Danilo De Chavez Jr., Arman L. Castillo, Maximo P. Libang, Cesario A. Evangelista, Jeruel N. Gonzales, Dominic L. Leus, Enrico G. Junio, Albert F. Resuma, Richard M. Zamora, Jose Emmanuel Lasian, Rabel Monteverde, Elmar B. Centeno, Herminio N. Lopez, Normandee L. Refugio, Rosie S. Del Mundo, Bernard P. Peralta, Crisanto Panghulan, Noel N. Aldabe, Gregorio D. Ladra, Francis T. Nahial, Aries L. Mercado, Dennis P. Briones, Ronald V. Mendoza, Rene G. Leus, Franklin G. Paga, Gabriel D. Capale, Rhodel B. Gotiongco, Warnel R. Basilisco, Dionicio C. Capacio, Roldan L. Ramos, Gilbert G. Gonzales, Raul V. Panghulan, Cary Clark M. Buendia, Romando B. Pascua, Daniel M. Tarcotecan, Anthony P. Ocampo II, Armando Q. Quiroz, Romel G. Cruz, Jesse S. Llanto, Teodoro D. Anduque Jr., Alberto P. Zulueta, Ramil B. Panghulan, Joseph R. Retanan, Erwin B. Bulaclac, Michael M. Saba, Bryan M. Natividad, Dondon M. Aquino, Gil C. Dela Pena, Jonathan B. Ordonez, Arnel C. Manalang, Ryan L. Garcia, Dennis A. Regodon, Julius S. Franco, Arthur M. Barilamat, Aries Desalla Mercado, Resty M. Ladra, Nelson P. Manaig, Shalako P. Arelas, Johndirk M. Carino, Fortunato P. Rubio, Kristian A. Nova, Victor L. Terrible, Vidal P. Pagcaliwagan, Noel C. Tiongco, Felix A. Lizardo, Rona Lyn C. Reano, Dindo V. Pineda, Nelson C. Lopez, Abundio G. Saba, Ismael L. Leus, Joselito L. Evangelista, Val E. Villarico, John Barra, Mariane Macaraig, Wency Pioquid, Sebastian Macaraig, Jheric Francia, Enrique Reyes, Norman M. Castro, and Anselmo G. Logo (collectively referred as Canlubang Plant Employees).

In 1997 and 2002 to 2007, CCBPI granted various incentives or bonuses to its employees, to wit:

Date	Bonus	Recipients	Computation
11/26/97	One-Time Grant ^[5]	Monthly paid, non-commission earning personnel; and Sales Office In-Charge	80% of basic salary rate
		Monthly paid,	80% of basic salary

		commission earning personnel	rate plus 80% of average monthly sales commission for the past 12 months immediately preceding month of the grant of this incentive
		Daily paid personnel	80% of resulting monthly rate after conversion of daily rate
		Monthly paid, non-commission and commission earning, and daily paid personnel with less than 12 months of permanent and regular service	Number of days employee reported for work since permanency/regularization
06/02/02	One-Time Economic Assistance ^[6]	All regular employees except officers with the designation of Associate Vice President (AVP) and above	One-half (½) month of basic salary or P40,000, whichever is lower
11/05/02	One-Time Gift ^[7]	All CCBPI regular employees as of November 8, 2002	
		Non-commission Earning Personnel	(Monthly basic rate as of December 1, 2002) x (75% daily rate as of December 1, 2002) x 30 x 75%
		Commission Earning Personnel	(Monthly basic rate as of December 1, 2002) + (average monthly commission from January 1, 2001 to November 30, 2002) x 75%
06/27/03	One-Time Economic Assistance ^[8]	All regular employees, except officers with the designation of AVP and above, whose	One-half (½) month of basic salary or P50,000, whichever is lower

		guaranteed pay is up to 13 months only	
06/25/04	One-Time Economic Assistance ^[9]	All regular Philippine-based rank-and-file employees of San Miguel Group (SMG) whose guaranteed pay is up to 13 months only	One-half (½) month of basic salary or P20,000, whichever is lower
12/02/04	One-Time Gift ^[10]	All Philippine-based regular employees of wholly-owned and/or managed companies of SMG as of December 2, 2004	75% of basic monthly pay plus P5,000 worth of various gift certificates
12/02/05	One-Time Christmas Gift ^[11]	All Philippine-based regular employees as of December 1, 2005	SMC gift certificates valued at P7,000 and cash equivalent to 50% basic monthly pay or P50,000, whichever is lower
11/17/06	One-Time Gift ^[12]	All Philippine-based regular employees of wholly-owned and/or managed companies of SMG as of December 1, 2006	50% of basic monthly pay plus gift certificates valued at P6,000
12/07/07	One-Time Transition Bonus ^[13]	Associates who are on regular status as of December 1, 2007	One-month pro-rated base pay

In the same Inter-Office Memorandum granting the One-Time Transition Bonus,^[14] CCBPI declared that beginning 2008, all bonuses other than the 13th month pay will be replaced by an individual and/or department incentive program based on specific performance metrics. Accordingly, it issued on December 19, 2008 an Inter-Office Memorandum entitled *Rationalization of Fixed Bonuses Other Than 13th Month*,^[15] informing its employees that no other bonuses will be granted by the company other than those provided under a specific individual and/or department incentive pay scheme.

Two (2) years after the implementation of the rationalization of bonuses, the Canlubang Plant Employees filed before the Labor Arbiter a complaint for non-payment of bonuses for 2008 to 2011. They alleged in their position paper^[16] that CCBPI's act of granting bonuses to its employees ripened into a company practice, having been consistently and deliberately made since 2002. However, it was unilaterally withdrawn in 2008 which constituted a clear violation of the prohibition on non-diminution of benefits under Article 100 of the Labor Code of the Philippines.

CCBPI countered that the gratuitous remunerations received by its employees merely constitute a "one-time" economic assistance, gift or bonus which were not uniformly and deliberately given as shown by the following factors: different amounts were granted each year with the inclusion of gift certificates; the recipients were not limited to a particular group; and the rationale for the grant of the said amounts varied each year. It argued that in the absence of such fixed amount or nature in the payment of the past disbursements, the grant of bonuses could not be considered a company practice, thus, the employees have no enforceable right over the same and the principle of non-diminution of benefits is inapplicable.^[17]

For his part, Schultz invoked the rule that "a corporate officer could not be held personally liable for his official acts unless it is shown that he has exceeded his authority or acted in bad faith". He contended that Canlubang Plant Employees did not cite any specific act which would show his bad faith.^[18]

CCBPI's complaint was later on consolidated with the other complaints for non-payment of bonuses filed by Jeffrey Nido (Jeffrey), *et al.*, Darwin Sumagui (Darwin), *et al.*, and Archibald Nido (Archibald), *et al.* against CCBPI.^[19]

The Rulings of the Labor Arbiter and the NLRC

On July 10, 2012, the Labor Arbiter rendered a Decision^[20] dismissing the consolidated complaints of Canlubang Plant Employees, Jeffrey, *et al.*, Darwin, *et al.*, and Archibald, *et al.* The Decision stressed that the various grants, assistance, gifts or bonuses granted by CCBPI were acts of kindness or liberality and the same did not ripen into an established company practice considering that the bonuses were not part of the employees' salaries and the amounts given, the recipients, and the reason for the grant varied from time to time. As such, CCBPI's employees do not have a demandable right over the previous benefits given by the company. The dispositive portion of the Decision reads:

WHEREFORE, premises considered, judgment is hereby rendered **DISMISSING** the instant consolidated complaints for lack of merit.

SO ORDERED. (Emphasis appears in the original text of the Decision)

On appeal, the NLRC sustained the findings of the Labor Arbiter through the assailed January 31, 2013 Resolution.^[21] It also found that the amounts, recipients, and reason for the grant of bonuses differed from year to year, *i.e.*, the bonuses were not always in cash but included gift certificates in various amounts, no specific group of employees benefited from the grant, and the bonuses were given either to