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FIRST DIVISION

[G.R. No. 183122, June 15, 2011]

GENERAL MILLING CORPORATION-INDEPENDENT LABOR UNION (GMC-ILU), PETITIONER, VS. GENERAL MILLING CORPORATION, RESPONDENT.

[G.R. NO. 183889]

GENERAL MILLING CORPORATION, PETITIONER, VS. GENERAL MILLING CORPORATION-INDEPENDENT LABOR UNION (GMC-ILU), ET. AL, RESPONDENTS.

D E C I S I O N

PEREZ, J.:

Assailed in these petitions for review on certiorari filed pursuant to Rule 45 of the *1997 Rules of Civil Procedure* are the Court of Appeals'(CA) resolution of the separate petitions for *certiorari* questioning the 20 July 2006 Decision [1] rendered and the 23 August 2006 Resolution [2] issued by the Fourth Division of the National Labor Relations Commission (NLRC), Cebu City, in NLRC Case No. V-000632-2005. In G.R. No. 183122, petitioner General Milling Corporation-Independent Labor Union (the Union) seeks the reversal of the 10 October 2007 Decision rendered by the Special Twentieth Division of the CA in CA-G.R. CEB-SP No. 02226, [3] the dispositive portion of which states:

> WHEREFORE, all the foregoing premises considered, the instant Petition is hereby PARTIALLY GRANTED.
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> The July 20, 2006 Decision of respondent NLRC in NLRC Case No. V-000632-2005 is hereby AFFIRMED insofar as it affirmed the October 27, 2005 Order of Executive Labor Arbiter Ortiz in RAB Case No. VII-06-0475-1992 with the modification of: a) excluding the vacation leave salary rate differentials, sick leave salary rate differentials, b) excluding employees who have executed quitclaims which are hereby declared valid, and c) deducting salary increases and other employment benefits voluntarily given by respondent GMC in the computation of benefits.
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> Accordingly, the instant case is hereby REFERRED to the GRIEVANCE MACHINERY under the imposed CBA for the recomputation of benefits claimed by petitioner GMC-ILU under the said imposed CBA taking into consideration the guidelines laid down by the Court in this Decision as well as the validity of the subject quitclaims hereinbefore discussed.
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> SO ORDERED. [4]

In G.R. No. 183889, petitioner General Milling Corporation (GMC) prays for the setting aside of the 16 November 2007 Decision rendered by the Eighteenth Division of the CA in CA-G.R. CEB-SP No. 02232, [5] the decretal portion of which states:

> WHEREFORE, the Decision dated July 20, 2006 and the Resolution dated August 23, 2006 of public respondent NLRC are hereby AFFIRMED IN TOTO and the instant petition is DISMISSED.
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> SO ORDERED. [6]

The Facts

On 28 April 1989, GMC and the Union entered into a collective bargaining agreement (CBA) which provided, among other terms, the latter's representation of the collective bargaining unit for a three-year term made to retroact to 1 December 1988. On 29 November 1991 or one day before the expiration of the subject CBA, the Union sent a draft CBA proposal to GMC, with a request for counter-proposals from the latter, for the purpose of renegotiating the existing CBA between the parties. In view of GMC's failure to comply with said request, the Union commenced the complaint for unfair labor practice which, under docket of RAB Case No. VII-06-0475-92, was dismissed for lack of merit in a decision dated 21 December 1993 issued by the Regional Arbitration Branch-VII (RAB-VII) of the National Labor Relations Commission (NLRC). [7] On appeal, however, said dismissal was reversed and set aside in the 30 January 1998 decision rendered by the Fourth Division of the NLRC in NLRC Case No. V-0112-94, [8] the dispositive portion of which states:

> WHEREFORE, premises considered, the instant appeal is hereby GRANTED. The Decision dated December 21, 1993 is hereby VACATED and SET ASIDE and a new one issued ordering the imposition upon the respondent company of the complainant union[`s] draft CBA proposal for the remaining two years duration of the original CBA which is from December 1, 1991 to November 30, 1993; and for the respondent to pay attorney's fees.
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> SO ORDERED. [9]

With the reconsideration and setting aside of the foregoing decision in the NLRC's resolution dated 6 October 1998, [10] the Union filed the petitions for certiorari docketed before the CA as CA-G.R. SP Nos. 50383 and 51763. In a decision dated 19 July 2000, the then Fourteenth Division of the CA reversed and set aside the NLRC's 6 October 1998 resolution and reinstated the aforesaid 30 January 1998 decision, except with respect to the undetermined award of attorney's fees which was deleted for lack of statement of the basis therefor in the assailed decision. [11] Aggrieved by the CA's 26 October 2000 resolution denying its motion for reconsideration, GMC elevated the case to this Court via the petition for review on *certiorari* docketed before this Court as G.R. No. 146728. In a decision dated 11 February 2004 rendered by the Court's then Second Division, the CA's 30 January

1998 decision and 26 October 2000 resolution were affirmed, [12] upon the following findings and conclusions, to wit:

> GMC's failure to make a timely reply to the proposals presented by the union is indicative of its utter lack of interest in bargaining with the union. Its excuse that it felt the union no longer represented the worker, was mainly dilatory as it turned out to be utterly baseless.
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> We hold that GMC's refusal to make a counter proposal to the union's proposal for CBA negotiation is an indication of its bad faith. Where the employer did not even bother to submit an answer to the bargaining proposals of the union, there is a clear evasion of the duty to bargain collectively.
>
> Failing to comply with the mandatory obligation to submit a reply to the union's proposals, GMC violated its duty to bargain collectively, making it liable for unfair labor practice. Perforce, the Court of Appeals did not commit grave abuse of discretion amounting to lack or excess of jurisdiction in finding that GMC is, under the circumstances, guilty of unfair labor practice.
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> x x x (I)t would be unfair to the union and its members if the terms and conditions contained in the old CBA would continue to be imposed on GMC's employees for the remaining two (2) years of the CBA's duration. We are not inclined to gratify GMC with an extended term of the old CBA after it resorted to delaying tactics to prevent negotiations. Since it was GMC which violated the duty to bargain collectively, based on *Kiok Loy* and *Divine World University of Tacloban*, it had lost its statutory right to negotiate or renegotiate the terms and conditions of the draft CBA proposed by the union.
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> x x x x
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> Under ordinary circumstances, it is not obligatory upon either side of a labor controversy to precipitately accept or agree to the proposals of the other. But an erring party should not be allowed with impunity to schemes feigning negotiations by going through empty gestures. Thus, by imposing on GMC the provisions of the draft CBA proposed by the union, in our view, the interests of equity and fair play were properly served and both the parties regained equal footing, which was lost when GMC thwarted the negotiations for new economic terms of the CBA. [13]

With the ensuing finality of the foregoing decision, the Union filed a motion for issuance of a writ of execution dated 21 March 2005, to enforce the claims of the covered employees which it computed in the sum of P433,786,786.36 and to require GMC to produce said employee's time cards for the purpose of computing their overtime pay, night shift differentials and labor standard benefits for work rendered on rest days, legal holidays and special holidays. [14] On 18 April 2005, however,

GMC opposed said motion on the ground, among other matters, that the bargaining unit no longer exist in view of the resignation, retrenchment, retirement and separation from service of workers who have additionally executed waivers and quitclaims acknowledging full settlement of their claims; that the covered employees have already received salary increases and benefits for the period 1991 to 1993; and, that aside from the aforesaid supervening events which precluded the enforcement thereof, the decision rendered in the case simply called for the execution of a CBA incorporating the Union's proposal, not the outright computation of benefits thereunder. [15]

In a "Submission" dated 27 May 2005, GMC further manifested that the Union membership in the bargaining unit did not exceed 286 and that following employees should be excluded from the coverage of the decision sought to be enforced: (a) 47 employees who were hired after 1992; (b) 234 employees who had been separated from the service; (c) 37 employees who, as daily paid rank and file employees, were represented by another union and covered by a different CBA; and, (d) 41 workers holding managerial/supervisory/confidential positions. [16] In its comment to the foregoing "Submission", however, the Union argued that the benefits derived from its proposed CBA extended to both union members and non-members; that the newly hired employees were entitled to the benefits accruing after their employment by GMC; that the employees who had, in the meantime, been separated from service could not have validly waived the benefits which were only determined with finality in the 11 February 2004 decision rendered in G.R. No. 146728; that the CBA benefits can be extended the daily paid employees upon their re-classification as monthly paid employees as well as to GMC's managerial and supervisory employees, prior to their promotion; and, that the imposition of its CBA proposals necessarily calls for the computation of the benefits therein provided. [17]

Acting on the memoranda the parties filed in support of their respective positions, [18] Executive Labor Arbiter Violeta Ortiz-Bantug issued the 27 October 2005 order, limiting the computation of the benefits of the Union's CBA proposal to the remaining two years of the duration of the original CBA or from 1 December 1991 up to 30 November 1993. The computation covered the 436 employees included in the Union's list, less the following: (a) 77 employees who were hired or regularized after 30 November 1993; (b) 36 daily paid rank and file employees who were covered by a separate CBA; (c) 41 managerial/supervisory employees; and (d) 1 employee for whom no salary-rate information was submitted in the premises. [19] As a consequence, said Executive Labor Arbiter disposed of the aforesaid pending motion and incidents in the following wise:

> Based on all the foregoing, computations have been made, details of which are prepared and reflected in separate pages but which still form part of this Order. By way of summary, the grand total consists of the following:
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> | Salary Increase Differentials | P17,575,000.00 |
> | Rest Day | 4,320,148.50 |
> | Vacation Leave Differentials | 920,013.42 |

Sick Leave Differentials	920,013.42
School Opening Bonus	5,094,044.69
13th Month Pay Differentials	1,468,999.98
Christmas Bonus	4,560,816.78
Signing Bonus	1,310,000.00
Total Money Claims	P36,169,036.79
Sacks of Rice	6,372

Issue the appropriate writ of execution based on the foregoing computations.

SO ORDERED. [20]

Aggrieved, the Union filed a partial appeal dated 2 November 2005, on the ground that the Executive Labor Arbiter abused her discretion in: (a) confining the computation of the benefits from 1 December 1991 to 30 November 1993 in favor of only 281 employees out of the 436 included in its list; (b) computing only 10 out of the 15 benefits provided under its CBA proposal; and (c) failing to direct the GMC to produce the employees' time cards and other pertinent documents essential for the computation of the benefits due in the premises. [21] In turn, GMC filed its 17 November 2005 "Objections" to the aforesaid 22 October 2005 order, arguing that the Executive Labor Arbiter not only varied the dispositive portion of the NLRC decision dated 30 January 1998 but also ignored the quitclaims executed and the benefits actually paid in the premises. [22] Reiterating the foregoing arguments in its 16 May 2006 opposition to the Union's partial appeal, GMC further maintained that its not being duly heard on the computation of the award in the subject 27 October 2005 order rendered the Union's partial appeal premature; and, that its CBA with the Union had expired on 30 November 1993, with the latter exerting no effort at all for its renewal. [23]

On 20 July 2006, the NLRC rendered a decision in NLRC Case No. V-000632-2005, affirming the aforesaid 27 October 2005 order of execution. Finding that the duty to maintain the *status quo* and to continue in full force and effect the terms of the existing agreement under Article 253 of the *Labor Code of the Philippines* applies only when the parties agreed to the terms and conditions of the CBA, the NLRC upheld the Executive Labor Arbiter's computation on the ground, among others, that the decision sought to be enforced covered only the remaining two years of the duration of the original CBA, i.e., from 1 December 1991 to 30 November 1993; that like GMC's supposed grant of additional benefits during the remaining term of the original CBA, the Union's claims for payment of vacation leave salary differentials, sick leave salary rate differentials, dislocation allowance, separation pay for voluntary resignation and separation pay salary rate differentials were not sufficiently established; that required by law to preserve its records for a period of five years, GMC cannot possibly be expected to preserve employees' records for the period 1 December 1991 to 30 November 1993; and, that the claimant has the burden of proving entitlement to holiday pay, premium for holiday and rest day as well night shift differentials. Giving short shrift to GMC's objections as aforesaid, the NLRC likewise ruled that computation of the monetary award was necessary for the enforcement of this Court's 11 February 2004 decision and avoidance of multiplicity