



Republic of the Philippines
Supreme Court
Manila

SPECIAL SECOND DIVISION

SONEDCO WORKERS FREE G.R. No. 220383

LABOR UNION (SWOFLU) /

RENATO YUDE, MARIANITO

REGINO, MANUEL YUMAGUE,

FRANCISCO DACUDAG, RUDY

ABABAO, DOMINIC SORNITO,

SERGIO CAJUYONG, ROMULO

LABONETE, GENEROSO

GRANADA, EMILIO AGUS,

ARNOLD CAYAO, BEN GENEVE,

VICTOR MAQUE, RICARDO

GOMEZ, RODOLFO GAWAN,

JIMMY SULLIVAN, FEDERICO

SUMUGAT, JR., ROMULO

AVENTURA, JR., JURRY

MAGALLANES, HERNAN

EPISTOLA, JR., ROBERTO

BELARTE, EDMON MONTALVO,

TEODORO MAGUAD, DOMINGO

TABABA, MAXIMO SALE, CYRUS

DIONILLO, LEONARDO JUNSAY,

JR., DANILO SAMILLION,

MARIANITO BOCATEJA,

JUANITO GEBUSION, RICARDO

MAYO, RAUL ALIMON, ARNEL

ARNAIZ, REBENCY BASOY,

JIMMY VICTORIO BERNALDE,

RICARDO BOCOL, JR., JOB

CALAMBA, WOLFRANDO

CALAMBA, RODOLFO CASISID,

JR., EDGARDO DELA PENA,

ALLAN DIONILLO, EDMUNDO

EBIDO, JOSE ELEPTICO, JR.,

MARCELINO FLORES,

HERNANDO FUENTEBILLA,

Present:

CARPIO, J., *Chairperson,*

DEL CASTILLO,

MENDOZA,

LEONEN, and

MARTIRES, JJ.

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SAUL HITALIA, JOSELITO
 JAGODILLA, NONITO JAYME,
 ADJIE JUANILLO, JEROLD
 JUDILLA, EDILBERTO
 NACIONAL, SANDY NAVALES,
 FELIPE NICOLASORA, JOSE
 PAMALO-AN, ISMAEL PEREZ,
 JR., ERNESTO RANDO, JR.,
 PHILIP REPULLO, VICENTE
 RUIZ, JR., JOHN SUMUGAT,
 CARLO SUSANA, ROMEO
 TALAPIERO, JR., FERNANDO
 TRIENTA, FINDY VILLACRUZ,
 JOEL VILLANUEVA, and JERRY
 MONTELIBANO,

Petitioners,

-versus-

UNIVERSAL ROBINA
 CORPORATION, SUGAR
 DIVISION-SOUTHERN NEGROS
 DEVELOPMENT CORPORATION
 (SONEDCO),

Respondents.

Promulgated:

05 JUL 2017

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RESOLUTION

LEONEN, J.:

Generally, a wage increase not included in the Collective Bargaining Agreement is not demandable. However, if it was withheld by the employer as part of its unfair labor practice against the union members, this benefit should be granted.

Before this Court is a Motion for Partial Reconsideration¹ filed by Southern Negros Development Corporation (SONEDCO) Workers Free Labor Union. The concerned SONEDCO Workers Free Labor Union members are asking that the wage increase given to their fellow employees be awarded to them as well. Their co-workers of the same rank are allegedly

¹ Rollo, pp. 327-337.

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earning ₱32.00/day more than they are receiving.²

This case arose from an unfair labor practice complaint filed by SONEDCO Workers Free Labor Union against its employer, Universal Robina Corporation, Sugar Division-Southern Negros Development Corporation (URC-SONEDCO).³

In 2007, while there was no Collective Bargaining Agreement in effect, URC-SONEDCO offered, among other benefits, a ₱16.00/day wage increase to their employees. To receive the benefits, employees had to sign a waiver that said: “In the event that a subsequent [Collective Bargaining Agreement] is negotiated between Management and Union, the new [Collective Bargaining Agreement] shall only be effective [on] January 1, 2008.”⁴ Realizing that the waiver was an unfair labor practice, some members of SONEDCO Workers Free Labor Union refused to sign.⁵

URC-SONEDCO offered the same arrangement in 2008. It extended an additional ₱16.00/day wage increase to employees who would agree that any Collective Bargaining Agreement negotiated for that year would only be effective on January 1, 2009.⁶ Several members of SONEDCO Workers Free Labor Union again refused to waive their rights. Consequently, they did not receive the wage increase which already amounted to a total of ₱32.00/day, beginning 2009.⁷

On July 2, 2009, SONEDCO Workers Free Labor Union and its members who refused to sign the 2007 and 2008 waivers filed a complaint for unfair labor practices against URC-SONEDCO. They argued that the requirement of a waiver prior to the release of the wage increase constituted interference to the employees’ right to self-organization, collective bargaining, and concerted action. They asked that they be granted a ₱16.00/day wage increase for 2007 and an additional ₱16.00/day wage increase for 2008.⁸ SONEDCO Workers Free Labor Union also demanded a continuing wage increase of ₱32.00/day “from January 1, 2009 onwards.”⁹

Both the National Labor Relations Commission and the Court of Appeals found URC-SONEDCO not guilty of unfair labor practice.¹⁰ Nonetheless, they ordered URC-SONEDCO to give petitioners the same benefits their co-workers received in 2007 and 2008. However, SONEDCO

² Id. at 328.

³ Id. at 18.

⁴ Id. at 186.

⁵ Id. at 65.

⁶ *Rollo*, p. 64 and 25.

⁷ *Rollo*, p. 33.

⁸ Id. at 64–65.

⁹ *Rollo*, p. 36.

¹⁰ Id. at 65 and 67–68.

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Workers Free Labor Union's claim for the 2009 wage increase was denied. Since a new Collective Bargaining Agreement was already in effect by 2009, this Collective Bargaining Agreement governed the relationship between the management and the union.¹¹ The Court of Appeals ruled:

As there was no provision in the existing CBA regarding wage increase of [P]16.00 per day, the [National Labor Relations Commission] was correct in ruling that it cannot further impose private respondents to pay petitioners the subject wage increase for the year 2009 and onwards.¹²

On October 5, 2016, this Court found URC-SONEDCO guilty of unfair labor practice for failing to bargain with SONEDCO Workers Free Labor Union in good faith.¹³ URC-SONEDCO restricted SONEDCO Workers Free Labor Union's bargaining power when it asked the rank-and-file employees to sign a waiver foregoing Collective Bargaining Agreement negotiations in exchange for wage increases.¹⁴ Thus, this Court ordered URC-SONEDCO to grant the union members the 2007 and 2008 wage increases. Nevertheless, this Court denied the claim for the 2009 wage increase and ruled that if SONEDCO Workers Free Labor Union wished to continue receiving the additional wage after 2008, the proper recourse was to include it in the 2009 Collective Bargaining Agreement.¹⁵

On December 27, 2016, URC-SONEDCO filed a Motion for Reconsideration¹⁶ assailing this Court's October 5, 2016 Decision. Since respondent merely reiterated the same arguments it raised in the Comment, the motion was denied.

On February 20, 2017 petitioners, who are members of SONEDCO Workers Free Labor Union, filed a Motion for Partial Reconsideration.¹⁷ Petitioners aver that the P16.00 wage increases granted in 2007 and 2008 were integrated in the salary of the employees who signed the waiver. Thus, since the start of 2009, employees who signed the waiver have been receiving P32.00/day more than petitioners.

Respondent URC-SONEDCO filed a Comment/Opposition¹⁸ to Petitioners' Motion for Partial Reconsideration on March 2, 2017. It was

¹¹ Id. at 69.

¹² Id.

¹³ *SONEDCO Workers Free Labor Union v. Universal Robina Corporation, Sugar Division – Southern Negros Development Corporation*, G.R. No. 220383, October 5, 2016 <<http://sc.judiciary.gov.ph/pdf/web/viewer.html?file=/jurisprudence/2016/october2016/220383.pdf>> [Per J. Leonen, Second Division].

¹⁴ Id. at 4.

¹⁵ Id. at 16.

¹⁶ *Rollo*, pp. 315–326.

¹⁷ Id. at 327–337.

¹⁸ Id. at 358–363.

filed prior to this Court's March 6, 2017 Resolution,¹⁹ which required such comment.

Respondent argues that this issue has already been ruled upon. Since the 2009 wage increase was not included in the 2009 Collective Bargaining Agreement, it cannot be demanded.²⁰

The sole issue for resolution is whether a ₱32.00/day wage increase beginning January 1, 2009 to present should be awarded to petitioners.

In their Motion for Partial Reconsideration, petitioners ask for four (4) awards: 1) a ₱16.00/day wage increase for 2007; 2) another ₱16.00/day wage increase for 2008; 3) the 2009 wage increase, which is a "continuing wage increase,"²¹ of ₱32.00/day from January 1, 2009 to present, and 4) attorney's fees.²²

The Court already granted the wage increases for 2007 and 2008 in its October 5, 2016 Decision.²³

WHEREFORE, the Petition is **GRANTED**. The Decision of the Court of Appeals dated January 30, 2015 and the Resolution dated July 27, 2015 in CA-G.R. SP No. 05950 are **SET ASIDE**. Respondent Universal Robina Corporation Sugar Division - Southern Negros Development Corporation is **GUILTY** of unfair labor practice and is **ORDERED to pay each of the petitioners the wage increase of ₱16.00 for the years 2007 and 2008**; and to pay SONEDCO Workers Free Labor Union moral damages in the amount of ₱100,000.00; and exemplary damages in the amount of ₱200,000.00.

SO ORDERED.²⁴ (Emphasis supplied)

Thus, the only wage increase in issue here is the continuing wage increase of ₱32.00/day starting 2009.

Generally, the Collective Bargaining Agreement controls the relationship between the parties. Any benefit not included in it is not demandable.²⁵

However, in light of the peculiar circumstances in this case, the requested wage increase should be granted.

¹⁹ Id. at 357.

²⁰ Id. at 358-359.

²¹ Id. at 329. The 2009 wage increase is referred to as a "continuing wage increase."

²² Id. at 332-333.

²³ Id. at 298-314.

²⁴ Id. at 313.

²⁵ Id.

According to petitioners, the “₱32.00/day [wage increase] was integrated to the wage[s] of those who signed the waivers so that they are receiving the wage increase of ₱32.00/day up to now.”²⁶ To prove this allegation, petitioners have attached a joint affidavit²⁷ dated January 18, 2017 signed by 26 URC-SONEDCO employees. According to the affiants, they signed the 2007 and 2008 waivers and are, thus, currently receiving ₱32.00/day more than petitioners.²⁸

The wage increase was integrated in the salary of those who signed the waivers. When the affiants waived their rights, respondent rewarded them with a ₱32.00/day wage increase that continues to this day. The respondent company granted this benefit to its employees to induce them to waive their collective bargaining rights. This Court has declared this an unfair labor practice. Accordingly, it is illegal to continue denying the petitioners the wage increase that was granted to employees who signed the waivers. To rule otherwise will perpetuate the discrimination against petitioners. All the consequences of the unfair labor practice must be addressed.

The grant of the ₱32.00/day wage increase is not an additional benefit outside the Collective Bargaining Agreement of 2009. By granting this increase to petitioners, this Court is eliminating the discrimination against them, which was a result of respondent’s unfair labor practice.

Considering that exemplary damages were imposed, this Court also deems it proper to grant attorney’s fees.²⁹

²⁶ Id. at 328.

²⁷ Id. at 352–355.

²⁸ Id. at 352.

²⁹ CIVIL CODE, art. 2208 provides:

Article 2208. In the absence of stipulation, attorney’s fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

- (1) When exemplary damages are awarded;
- (2) When the defendant’s act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest;
- (3) In criminal cases of malicious prosecution against the plaintiff;
- (4) In case of a clearly unfounded civil action or proceeding against the plaintiff;
- (5) Where the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiff’s plainly valid, just and demandable claim;
- (6) In actions for legal support;
- (7) In actions for the recovery of wages of household helpers, laborers and skilled workers;
- (8) In actions for indemnity under workmen’s compensation and employer’s liability laws;
- (9) In a separate civil action to recover civil liability arising from a crime;
- (10) When at least double judicial costs are awarded;
- (11) In any other case where the court deems it just and equitable that attorney’s fees and expenses of litigation should be recovered.

In all cases, the attorney’s fees and expenses of litigation must be reasonable.

WHEREFORE, the Motion for Partial Reconsideration is **GRANTED**. The dispositive portion of the October 5, 2016 Decision in G.R. No. 220383 is **MODIFIED** as follows:

Respondent Universal Robina Corporation, Sugar Division - Southern Negros Development Corporation is **ORDERED** to:

1. pay the wage increase of ₱16.00/day in the year 2007 and another wage increase of ₱16.00/day in the year 2008 to the following petitioners: (1) Renato Yude, (2) Marianito Regino, (3) Manuel Yumague, (4) Francisco Dacudag, (5) Rudy Ababao, (6) Dominic Sornito, (7) Sergio Cajuyong, (8) Romulo Labonete, (9) Generoso Granada, (10) Emilio Agus, (11) Arnold Cayao, (12) Ben Geneve, (13) Victor Maque, (14) Ricardo Gomez, (15) Rodolfo Gawan, (16) Jimmy Sullivan, (17) Federico Sumugat, Jr., (18) Romulo Aventura, Jr., (19) Jurry Magallanes, (20) Hernan Epistola, Jr., (21) Roberto Belarte, (22) Edmon Montalvo, (23) Teodoro Maguad, (24) Domingo Tababa, (25) Maximo Sale, (26) Cyrus Dionillo, (27) Leonardo Junsay, Jr., (28) Danilo Samillion, (29) Marianito Bocateja, (30) Juanito Gebusion, and (31) Ricardo Mayo;

2. pay the wage increase of ₱16.00/day in the year 2008 to the following petitioners: (1) Raul Alimon, (2) Rebency Basoy, (3) Ricardo Bocol, Jr., (4) Wolfrando Calamba, (5) Edgardo Dela Pena, (6) Edmundo Ebido, (7) Marcelino Flores, (8) Saul Hitalia, (9) Nonito Jayme, (10) Jerold Judilla, (11) Sandy Navales, (12) Jose Pamalo-an, (13) Ernesto Rando, Jr., (14) Vicente Ruiz, Jr., (15) Carlo Susana, (16) Fernando Trienta, (17) Joel Villanueva, (18) Arnel Arnaiz, (19) Jimmy Victorio Bernalde, (20) Job Calamba, (21) Rodolfo Casisid, Jr., (22) Allan Dionillo, (23) Jose Eleptico, Jr., (24) Hernando Fuentesbilla, (25) Joselito Jagodilla, (26) Adjie Juanillo, (27) Edilberto Nacional, (28) Felipe Nicolasora, (29) Ismael Perez, Jr., (30) Philip Repullo, (31) John Sumugat, (32) Romeo Talapiero, Jr., (33) Findy Villacruz and (34) Jerry Montelibano;

3. incorporate the wage increase of ₱32.00/day to the wage of all the individual petitioners from January 1, 2009 to present;

4. pay SONEDCO Workers Free Labor Union moral damages in the amount of ₱100,000.00;

5. pay SONEDCO Workers Free Labor Union exemplary damages in the amount of ₱200,000.00; and

6. pay SONEDCO Workers Free Labor Union ten percent (10%) of



the total award as attorney's fees.

SO ORDERED.


MARVIC M.V.F. LEONEN
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson


MARIANO C. DEL CASTILLO
Associate Justice


JOSE CATRAL MENDOZA
Associate Justice


SAMUEL R. MARTIRES
Associate Justice

ATTESTATION

I attest that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ANTONIO T. CARPIO
Associate Justice
Chairperson, Special Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO
Chief Justice