Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

FERNAND O. MATERNAL, RAYMUNDO VINOYA, ERWIN S. CONSTANTINO, EDILBERTO F. CARZON, LOURDES V. ALIBUDBUD, GLORIA BATHAN, DIOSCORO MARLA, FELICISIMO ARTICONA, JOSEPH E. CALINGASIN, LORETA D. APARATO, CORAZON ORIENDA, DANNY BALUNES, JOY OCADO, RONNIE PALENTINOS, REYNANTE C. BASINANG, RAMIL DURAN, VICTORINO O. ATIENZA, JR., ALLAN B. MIOLE, WILBERT BANAYO, CHRISTIAN CANTOS, ARNALDO P. BATIS, REYNALDO R. ORIEL, WILFREDO A. DE LEON, WILFREDO S. MORALEDA, EDWARD R. REGOCERA, CHRISTOPHER CARULLO, ANDY BAROÑA,* RENATO PAG-ONG,* RICHARD E. RIÑON,* REYNALDO H. ARLATA, JR., TEODORICO F. FORTUNO, PETER M. POCOY, JULIANA G. DOMINE, CHRISTIAN C. MANUBAG, VIVIAN M. CAPARAS, MARK ZUÑIGA, WARLINITO GUNO, EDUEL AGUILA, ROGELIO BONGATO, ART NABATILAN, JUAN ENTENA, JR., GILBERT GASAPOS, NICANOR*	G.R. No. 218010

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* Also spelled as Barona in some parts of the *rollo*.
* Also spelled as Pag Ong in some parts of the *rollo*.
* Also spelled as Renion in some parts of the *rollo*.
* Also spelled as Nickanor in some parts of the *rollo*.

BORROMEO, CHRIS MANIQUIS, ALFRED DE GUZMAN, RICO D. PAZ, JOSELITO M. PAGCALIWAGAN,[*] CRIS[*] R. SAN PEDRO, LARRY B. TABURA, EMILIO T. GENADA, EDZEL C. NOBLE, HELEN T. ERASGA, MENCHITO B. RECARO, ARIEL T. RONCESVALLES, MAURO M. VILLADIEGO, MANUEL A. CANTILLAN, LIBRADO L. LANDICHO, FERDINAND SANTIAGO, ERIBERTO P. PALENCIA, ARIEL C. LUMIO, ARNEL D. ALCANTARA, CRISPULO DEL MUNDO, CASTOR B. ISIANG, ELVIN G. PACUMO,[*] MAXIMO M. TUIZA, JOSE U. VILLAPANDO,[*] ELMO L. CAMALIG, ROMMEL TORRENTE, NATHANIEL A. HERNANDEZ, LEO A. SIOSON, JUANITO D. BEATO, MARVIN M. RODAS, TRISTAN HERNANDEZ, RANDY B. MEDIANERO, RAFAEL CEAZAR C. VARGAS, ANDREW SARMIENTO, GLEN A. AZUELO, RODERICK PEREZ, DEXTER CORACHEA, ROLAN BALO, RUBEN LAZO, DENNIS EUGENIO, ELMER GUIBAO, ADELO VERGARA, MONICO MARASIGAN, HENRY B. LOPEZ, MARIANO G. AGUILAR, JR., AUGUST B. BUENAVENTURA, HENRY N. SUMAGUE, EDWIN R. CELZO, PRUDENCIO J. ZURBITO, JR., MARLON L. GAMILLA, JOHNNY[*] A. MAJERANO, LEVIE B. ARGON, DIONISIO R. MABALOT, GLIENDON I. GARCIA, REGINO P. BATERISNA, ELVIN A. MANE

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[*] Also spelled as Pagkaliwagan in some parts of the *rollo*.
[*] Also spelled as Cri in some parts of the *rollo*.
[*] Also spelled as Pacuno in some parts of the *rollo*.
[*] Also spelled as Villa Pando in some parts of the *rollo*.
[*] Also spelled as Jhonny in some parts of the *rollo*.

AND RANDY M. QUERUELA,
Petitioners,

-versus-

COCA-COLA BOTTLERS PHILS., INC. (NOW KNOWN AS COCA-COLA FEMSA PHILS., INC.),*
Respondent.

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FERNAND O. MATERNAL, RAYMUNDO VINOYA, ERWIN S. CONSTANTINO, EDILBERTO F. CARZON, LOURDES V. ALIBUDBUD, GLORIA BATHAN, DIOSCORO MARLA, FELICISIMO ARTICONA, JOSEPH E. CALINGASIN, LORETA D. APARATO, CORAZON ORIENDA, REYNALDO R. ORIEL, WILFREDO A. DE LEON WILFREDO S. MORALEDA, EDWARD R. REGOCERA, CHRISTOPHER CARULLO, ANDY BARONA, RENATO PAG-ONG, RICHARD E. RIÑON, REYNALDO H. ARLATA, JR., TEODORICO F. FORTUNO, PETER M. POCOY, JULIANA G. DOMINE, CHRISTIAN C. MANUBAG, VIVIAN M. CAPARAS, MARK ZUÑIGA, WARLINITO GUNO, EDUEL AGUILA, ROGELIO BONGATO, ART NABATILAN, JUAN ENTENA, JR., GILBERT GASAPOS, NICANOR BORROMEO, CHRIS MANIQUIS, ALFRED DE GUZMAN, RICO D. PAZ, JOSELITO M. PAGCALIWAGAN, CRIS R. SAN

G.R. No. 248662

Present:
LEONEN, *J.*, *Chairperson*,
INTING,**
GAERLAN,***
LOPEZ, J. Y., and
KHO, JR., *JJ.*:

Promulgated:
FEB 0 6 2023

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* Also referred to as Coca Cola Bottlers Phils., Inc. (formerly known as Coca Cola FEMSA PHILS., INC.) in some parts of the *rollo*.

** Designated additional member per Raffle dated September 13, 2022.

*** Designated additional member per Raffle dated September 13, 2022.

PEDRO, LARRY B. TABURA, EMILIO T. GENADA, EDZEL C. NOBLE, HELEN T. ERASGA, MENCHITO B. RECARO, ARIEL T. RONCESVALLES, MAURO M. VILLADIEGO, MANUEL A. CANTILLAN, LIBRADO L. LANDICHO, FERDINAND SANTIAGO, ERIBERTO P. PALENCIA, ARIEL C. LUMIO, ARNEL D. ALCANTARA, CRISPULO DEL MUNDO, CASTOR B. ISIANG, ELVIN G. PACUMO, MAXIMO M. TUIZA, JOSE U. VILLAPANDO, ELMO L. CAMALIG, ROMMEL TORRENTE, NATHANIEL A. HERNANDEZ, LEO A. SIOSON, JUANITO D. BEATO, MARVIN M. RODAS, TRISTAN HERNANDEZ, RAFAEL CEAZAR C. VARGAS, ANDREW SARMIENTO, GLEN A. AZUELO, RODERICK PEREZ, DEXTER CORACHEA, ROLAN BALO, RUBEN LAZO, DENNIS EUGENIO, ELMER GUIBAO, ADELO VERGARA, MONICO MARASIGAN, HENRY B. LOPEZ, MARIANO G. AGUILAR, JR., AUGUST B. BUENAVENTURA, HENRY N. SUMAGUE, EDWIN R. CELZO,

Petitioners,

-versus-

COCA-COLA BEVERAGES PHILIPPINES, INC. (CCBPI) formerly known as Coca-Cola FEMSA Philippines, Inc. (CCFPI),

Respondent.

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DECISION

LOPEZ, J., *J.*:

This Court resolves the two consolidated Petitions for Review on *Certiorari*[1] filed under Rule 45 of the Rules of Court assailing the Decision,[2] and the Resolution[3] of the Court of Appeals (*CA*) in CA-G.R. SP No. 126819, and the Decision[4] and Resolution[5] of the CA in CA-G.R. SP No. 137718. In CA-G.R. SP Nos. 126819 and 137718, the CA separately declared that the rank-and-file employees of Coca-Cola Bottlers Phils., Inc, (CCBPI) are not entitled to the benefits they are claiming.

CCBPI is engaged in the business of manufacturing, selling, marketing, and distributing carbonated drinks and other beverages in the Philippines. It was under the management of San Miguel Corporation (*SMC*) until Coca-Cola Amatil Ltd. of Australia acquired it on July 1, 1997. In 2001, SMC reacquired CCBPI. However, SMC again transferred management thereof to the Coca-Cola Company in 2007 after the former sold 65% of its shares in CCBPI to the latter.[6]

Between 1997 and 2007, the regular and permanent employees of CCBPI were given bonuses in varying amounts. These bonuses were designated different names such as (1) One-time Grant; (2) One-time Economic Assistance; (3) One-time Gift; and (4) One-time Transition Bonuses. These were granted upon approval of the managing company at the time, *i.e.*, Coca-Cola Amatil Ltd. and thereafter, SMC, and were implemented through a set of guidelines.[7] The details of the bonuses are quoted below:[8]

DATE	BONUS	AMOUNT	RECIPIENT

1 *Rollo* (G.R. No. 218010), pp. 801-834; *Rollo* (G.R. No. 248662), pp. 23–41.

2 *Rollo* (G.R. No. 218010), pp. 29–44. The August 19, 2014 Decision in CA-G.R. SP No. 126819 was penned by Associate Justice Zenaida T. Galapate-Laguilles, and concurred in by Associate Justices Jane Aurora C. Lantion and Amy C. Lazaro-Javier (now a Member of this Court) of the Special Fourteenth Division, Court of Appeals, Manila.

3 *Id.* at 24–27. The March 17, 2015 Resolution in CA-G.R. SP No. 126819 was penned by Associate Justice Zenaida T. Galapate-Laguilles, and concurred in by Associate Justices Jane Aurora C. Lantion and Amy C. Lazaro-Javier (now a Member of this Court) of the Former Special Fourteenth Division, Court of Appeals, Manila.

4 *Rollo* (G.R. No. 248662), pp. 76–89. The November 14, 2018 Decision in CA-G.R. SP No. 137718 was penned by Associate Justice Myra V. Garcia-Fernandez, and concurred in by Associate Justices Apolinario D. Bruselas, Jr. and Ronaldo Roberto B. Martin of the Tenth Division, Court of Appeals, Manila.

5 *Rollo* (G.R. No. 248662), pp. 16–19. The July 26, 2019 Resolution in CA-G.R. SP No. 137718 was penned by Associate Justice Myra V. Garcia-Fernandez, and concurred in by Associate Justices Apolinario D. Bruselas, Jr. and Ronaldo Roberto B. Martin of the Former Tenth Division, Court of Appeals, Manila.

6 *Rollo* (G.R. No. 218010), p. 30.

7 *Id.* at 31–33.

8 *Id.* at 812–815.

DATE	BONUS	AMOUNT	RECIPIENT
November 26, 1997	One-Time Grant	For monthly-paid, non-commission earning personal: 80% of the basic salary rate; For Sales Office in Charge: 80% of the basic salary rate; For monthly-paid commission earning personnel: 80% of basic salary rate plus 80% of average monthly sales commission for the past 12 months immediately preceding month of the grant of incentive; For daily paid personnel: 80% of resulting monthly rate after conversion of daily rate.	Non-Commission and Commission-Earning Monthly and Daily Paid Personnel of CCBPI.
July 13, 2001	One-Time Economic Assistance	One half (1/2) of the basic salary or [PHP] 40,000.00, whichever is lower.	All Regular CCBPI Employees except Officers and those holding the position of Asst. Vice Pres. & above.
June 2, 2002	One-Time Economic Assistance	Seventy-five (50%) [sic] of basic salary or [PHP] 40,000.00 whichever is lower.	All Employees/ Personnel of CCBPI whether Commission or Non-Commission Based.
November 5, 2002	One-Time Gift	Seventy-five (75%) of basic salary.	All Employees/ Personnel of CCBPI whether Commission or Non-Commission.
June 27, 2003	One-Time Economic Assistance	Fifty Thousand Pesos ([PHP] 50,000.00) or 50% of basic salary, whichever is lower	All Regular CCBPI Employees except Officers and

			those holding the position of Asst. Vice Pres. & above.
June 25, 2004	One-Time Economic Assistance	Twenty Thousand Pesos (P20,000.00) or one-half of the basic salary, whichever is lower.	All Philippine-based Regular Employees of San Miguel Group of Companies which then included CCBPI.
December 2, 2004	One-Time Gift	Five Thousand Pesos (P5,000.00) worth of SMC Gift Certificates and Cash amounting to seventy-five percent (75%) of basic pay	All Philippine-based Regular Employees of San Miguel Group of Companies which then included CCBPI.
December 2, 2005	One-Time Christmas Gift	Seven Thousand Pesos (P7,000.00) worth of SMC Gift Certificates and Cash amounting to fifty percent (50%) of basic pay or Fifty Thousand Pesos (P50,000.00), whichever is smaller.	All Philippine-based Regular Employees of San Miguel Group of Companies which then included CCBPI.
November 17, 2006	One-Time Gift	Eight Thousand Pesos (P8,000.00) worth of SMC Gift Certificates and Cash amounting to fifty percent (50%) of basic pay.	All Philippine-based Regular Employees of San Miguel Group of Companies which then included CCBPI.
December 7, 2007	One-Time Transition Bonus	One Month pro-rated base pay.	All CCBPI Associates who were regular in status as of regular employee.[9]

[9] *Id.* at 812–815.

Thereafter, in 2008, the new management of CCBPI stopped granting bonuses other than the 13th month pay and performance-based incentive bonuses. This prompted regular rank-and-file employees and their collective bargaining agent, Sta. Rosa Coca-Cola Plant Employees Union, to file several complaints for the nonpayment of bonuses and attorney's fees against CCBPI and its president, Bill Schultz. These complaints were consolidated into two cases docketed as NLRC Case No. SRAB-IV-09-5179-10-L and NLRC Case No. SRAB-IV-09-5156-10-L, and these were jointly heard.[10]

Then, the labor arbiter rendered a Decision,[11] the dispositive portion of which states:

> WHEREFORE, premises considered, CCBPI is ORDERED to pay each of the complainants their yearly bonuses from 2008 to 2010, each yearly bonus equivalent to their respective monthly pay multiplied by three or the number of years it remained unpaid, thus:
>
> . . . .
>
> This Office also DIRECTS CCBPI to pay complainants' attorney's fees equivalent to 10% percent of the monetary award in the amount of [PHP] 469,245.10.
>
> It is understood that legal interest shall run until this decision becomes final and executory.
>
> The complaints of DANNY BALUNES, JOY OCADO, RONNIE PALENTINOS, REYNANTE C. BASINANG, RAMIL DURAN, VICTORINO O. ATIENZA, JR.[,] ALLAN B. MOLE, WILBERT BANAYO, CHRISTIAN CANTOS[,] ARNALDO P. BATIS are dismissed for failure to substantiate the same.
>
> SO ORDERED.[12]

The labor arbiter ruled that the grant of yearly bonuses by CCBPI was uninterrupted and continuous for several years and has become a company practice.[13] It held that the workers, except for Danny Balunes, Joy Ocado, Ronnie Palentinos, Reynante C. Basinang, Ramil Duran, Victorino O. Atienza, Jr., Allan B. Mole, Wilbert Banayo, Christian Cantos, and Arnaldo P. Batis, should be awarded their yearly bonuses from 2008 to 2010 equivalent to their monthly salaries per year based on the last cash gift received in 2007.[14]

Aggrieved, CCBPI appealed to the National Labor Relations Commission, reiterating its stance that the bonuses granted to the workers neither formed part of their salary nor amounted to a long-standing company

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10 *Id.* at 33.
11 *Id.* at 69–93. The April 18, 2011 Decision was penned by Labor Arbiter Melchisedek A. Guan.
12 *Id.* at 90–93.
13 *Id.* at 81–82
14 *Id.* at 88–89.

practice. On the other hand, the workers filed a separate appeal contending that the 10 excluded workers are also entitled to bonuses.[15]

Afterwards, the National Labor Relations Commission rendered its Decision,[16] dismissing both appeals for lack of merit.[17]

The National Labor Relations Commission held that there was no evidence that would show that the grant of the bonuses was subject to certain conditions. It ruled that since the bonuses from 1997 to 2007 were given without any condition, these formed part of the workers' wages. As it had been implemented for 10 years, the National Labor Relations Commission concluded that it has already ripened into a long-standing company practice that may no longer be unilaterally withdrawn. Even if the amounts of the bonuses varied each year, it is considered fixed as the computation is based on a certain percentage of the income or for a fixed amount applied uniformly to all the rank-and-file employees.[18]

Anent the exclusion of the 10 workers in the award, the National Labor Relations Commission affirmed the dismissal of their case for failure to substantiate their respective claims.[19]

Then, in a Resolution,[20] the National Labor Relations Commission reiterated that the bonuses have ripened into a regular yearly grant. Nonetheless, it modified the basis of the bonus from one month pay for each year to the average of the yearly benefits given from 2001 to 2007 or 2/3 of basic monthly pay for the years that such has remained unpaid.[21] The dispositive portion of the Resolution states:

> WHEREFORE, the Decision of the Labor Arbiter is modified in that the amount of yearly bonus from 2008 to 2010, be equivalent to 2/3 of basic monthly pay.
>
> SO ORDERED.[22]

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15 *Id.* at 36.

16 *Id.* at 58-66. The February 29, 2012 Decision was penned by Presiding Commissioner Joseph Gerard E. Mabilog, and concurred in by Commissioners Isabel G. Panganiban-Ortiguerra and Nieves E. Vivar-De Castro.

17 *Id.* at 66.

18 *Id.* at 64-65.

19 *Id.* at 65.

20 *Id.* at 53-56. The July 25, 2012 Resolution was penned by Presiding Commissioner Joseph Gerard E. Mabilog, and concurred in by Commissioners Isabel G. Panganiban-Ortiguerra and Nieves E. Vivar-De Castro.

21 *Id.* at 55-56.

22 *Id.* at 56.

CCBPI filed a petition for *certiorari* with an extremely urgent motion for the issuance of a temporary restraining order and/ or a writ of preliminary injunction with the Court of Appeals which was docketed as CA-G.R. SP No. 126819.[23] In the interim, the workers filed a motion for a writ of execution before the labor arbiter.[24]

Subsequently, the labor arbiter issued an order directing the issuance of a writ of execution. CCBPI filed a Motion to Quash/ Lift the Writ of Execution.[25]

Thereafter, CCBPI filed with the National Labor Relations Commission a petition for annulment, with an extremely urgent motion for the issuance of a temporary restraining order and/ or writ of preliminary injunction of the January 22, 2013 Order of the labor arbiter.[26]

The labor arbiter issued an Order denying CCBPI's urgent motion to quash/ lift the writ of execution. Consequently, CCBPI complied with the writ of execution and released to the sheriff, two manager's checks representing the monetary award and execution fees amounting to PHP 3,677,577.40 and PHP 36,275.77, respectively.[27]

In the meantime, the National Labor Relations Commission issued a Resolution denying CCBPI's petition for annulment.[28] CCBPI filed a motion for reconsideration that was also denied by the National Labor Relations Commission.[29]

The labor arbiter issued an Order,[30] the dispositive portion of which reads:

> Thereafter, the decision is considered fully satisfied and the above-entitled cases are closed and terminated for all intents and purposes. Consequently, any notice/s of garnishment and writ of execution issued with respect to the execution of the decision are CANCELLED/ LIFTED.
>
> SO ORDERED.[31]

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23 *Rollo* (G.R. No. 248662), pp 30, 80–81.
24 *Id.*
25 *Id.* at 81.
26 *Id.*
27 *Id.* at 30 & 81.
28 *Id.* at 81.
29 *Id.*
30 *Id.* at 81–82. Dated March 11, 2013.
31 *Id.* at 81–82.

Subsequently, the employees filed another motion for a writ of execution for the payment of their bonuses in 2011 and 2012 in the total amount of PHP 2,857,250.00.[32]

The labor arbiter issued an Order[33] granting the employees' motion for the issuance of a writ of execution for the collection of their bonuses for 2011 and 2012, attorney's fees, and legal interest in the total amount of PHP 2,907,901.25.[34]

The labor arbiter emphasized that the directive in its April 18, 2011 Decision was to enforce the payment of the workers' yearly bonuses from 2008 to 2010, each yearly bonus equivalent to their respective monthly pay multiplied by three or the number of years it remained unpaid. It was stated that apart from the bonuses for the years 2008 to 2010 that was already executed, CCBPI should also pay the bonuses for 2011 and 2012.[35]

Then, CCBPI filed with the National Labor Relations Commission a petition for annulment of the November 11, 2013 Order of the labor arbiter.[36]

The National Labor Relations Commission issued a temporary restraining order against the execution of the November 11, 2013 Order of the labor arbiter. However, considering that the garnished amount was already released to the workers, CCBPI did not post a bond anymore. Instead, CCBPI filed on March 20, 2014 a manifestation and motion.[37]

The National Labor Relations Commission rendered its Resolution,[38] the dispositive portion of which reads:

> **WHEREFORE**, the Petition for Annulment of Judgment is **GRANTED** and the Order dated November 11, 2013 of public respondent Labor Arbiter Melchisedek A. Guan in NLRC Case Nos. SRAB-IV-09-5179-10-L and 09-5186-10-L is hereby **ANNULLED** and **SET ASIDE**. All respondents in these cases, their assigns and successors and all persons acting on their behalf or at their behest, including the Sheriffs of the NLRC, are ordered to **DESIST** from enforcing any and all Writs of Execution emanating from the aforesaid docketed cases, and from selling, disposing, garnishing or encumbering the funds or properties of petitioner Coca-Cola

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32 *Id.* at 82.

33 *Id.* at 46–53. The November 11, 2013 Order in NLRC Case Nos. SRAB-IV-09-5179-10-L and 09-5186-10-L was penned by Labor Arbiter Melchisedek A. Guan.

34 *Id.* at 52–53.

35 *Id.* at 49–50.

36 *Id.* at 54–79 & 82.

37 *Id.* at 82.

38 *Id.* at 31–44. The June 23, 2014 Resolution in NLRC LER No. 12-342-13, NLRC SRAB IV Case No. 09-5179-10-L, and NLRC SRAB IV Case No. 09-5186-10-L was penned by Presiding Commissioner Herminio V. Suelo, and concurred in by Commissioners Angelo Ang Palana and Numeriano D. Villena of the National Labor Relations Commission, Fourth Division, Quezon City.

Bottlers Phils., Inc.

SO ORDERED.[39]

CCBPI filed a manifestation and motion for immediate restitution.[40] The employees filed a motion for reconsideration which was denied by the National Labor Relations Commission in its Resolution.[41] Hence, the employees filed a petition for *certiorari* docketed as CA-G.R. SP No. 137718 with the Court of Appeals.[42]

Meanwhile, the Court of Appeals rendered its Decision[43] in CA-G.R. SP No. 126819, the dispositive portion of which states:

> WHEREFORE, We GRANT the instant Petition for *Certiorari* and DECLARE as VOID the Decision dated February 29, 2012 and Resolution dated July 28, 2012 of the National Labor Relations Commission (Sixth Division) in NLRC LAC Case No. 07-001838-11/NLRC Case No. SRAB IV-09-5179-10-L, NLRC Case No. SRAB IV-09-5186-10-L.
>
> SO ORDERED.[44]

The CA declared that the bonuses granted to the workers did not amount to a demandable right and that forcing CCBPI to continue distributing the same would constitute a punishment for its past generosity.[45]

In granting the petition of CCBPI, the CA pointed out that the grant of bonuses denominated as one-time grant, one-time gift, one-time economic assistance, or one-time transition bonus was not incorporated into the collective bargaining agreement, if there is an existing one. Furthermore, there was no express agreement whereby CCBPI promised to give a yearly bonus. For the CA, the absence of such an express agreement showed that CCBPI did not intend to provide a yearly bonus to its employees.[46]

The CA also emphasized that the grant of the bonuses did not qualify as a regular practice of the company as bonuses were not consistently and deliberately given. It noted that no bonus was granted in 1998 to 2001. Also, there were instances when two bonuses were given within a year, upon the

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39 *Id.* at 43–44.
40 *Id.* at 83.
41 *Id.* at 463–465. The July 31, 2014 Resolution in NLRC LER No. 12-342-13, NLRC SRAB IV Case No. 09-5179-10-L, and NLRC SRAB IV Case No. 09-5186-10-L was penned by Presiding Commissioner Herminio V. Suelo, and concurred in by Commissioners Angelo Ang Palana and Numeriano D. Villena of the National Labor Relations Commission, Fourth Division, Quezon City.
42 *Id.* at 439–454.
43 *Rollo* (G.R. No. 218010), p. 29–44. Dated August 19, 2014.
44 *Id.* at 43.
45 *Id.* at 41–42.
46 *Id.* at 40.

discretion of the management. For instance, in 2002 to 2004, the workers received economic assistance in June and a one-time gift in December. Meanwhile, economic assistance was not given in 1997 and in 2005 to 2007. The CA reasoned that if the workers truly believed that these bonuses were intended as additional remuneration, they should have immediately questioned their withdrawal at the most opportune time, but they did not.[47]

The CA also stressed that the bonuses were not automatically given to the workers as these were subject to the CCBPI management's approval. It added that the implementation of each bonus was in accordance with the guidelines delineating the purpose, the formula for the computation of the amount, and the employees covered by the particular bonus.[48] The Court of Appeals also highlighted that the amount of bonuses was not fixed. They varied from year to year, depending on the guidelines approved by the management. It observed that, except for the one-time transition bonus in 2007, there was a downtrend in the value of the bonuses.[49]

The CA also took into consideration a case docketed as CA-G.R. SP No. 124227 that was instituted by members of the San Fernando Coca-Cola Rank and File Union (*SACORU*) against CCBPI involving the same issue. In the said case, it held that the one-time bonuses or gifts were not part of the employees' wages and the distribution of these during the previous years did not give rise to an established company practice. The union members of SACORU elevated the case to this Court through a Petition for Review on *Certiorari* docketed as G.R No. 206506. The CA noted that on July 10, 2013, a Resolution[50] was issued denying the Petition for failure to show any reversible error in the challenged decision and resolution to warrant the exercise of this Court's discretionary appellate jurisdiction. The Petition was eventually denied with finality and an entry of judgment was issued.[51] Following the principle of *stare decisis*, the CA held that the ruling of this Court in G.R. No. 206506 is binding and applicable to the present case.[52]

In a Resolution,[53] the CA denied the motion for reconsideration filed by the workers for lack of merit.[54] Hence, the instant Petition docketed as G.R. No. 218010.

Subsequently, in the case docketed as CA-G.R. SP No. 137718, the CA issued a Decision[55] dismissing the Petition of the workers.[56] The CA held that

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47 *Id.*
48 *Id.* at 40–41.
49 *Id.* at 41.
50 *Id.* at 858.
51 *Id.*
52 *Rollo* (G.R. No. 218010), pp. 42–43.
53 *Id.* at 24–27. Dated March 17, 2015.
54 *Id.* at 26.
55 *Rollo* (G.R. No. 248662), pp. 76–89. Dated November 14, 2018.
56 *Id.* at 89.

the labor arbiter went beyond the terms of the April 18, 2011 Decision when it ordered the issuance of a writ of execution directing the payment of bonuses for the years 2011 and 2012 to the employees.[57] The CA also noted that the November 11, 2013 Order of the labor arbiter had already been set aside in a Decision by the Former Fourteenth Division of the CA in the case docketed as CA-G.R. SP No. 126819 that was promulgated on August 19, 2014.[58]

In a Resolution,[59] the CA denied the motion for reconsideration[60] filed by the workers.[61]

Hence, they filed a Petition docketed as G.R. No. 248662.

In a Resolution dated January 11, 2023, the Petition in G.R. No. 248662 was consolidated with the Petition in G.R. No. 218010.

In the Petition docketed as G.R. No. 218010,[62] the workers argued that: (1) the bonuses formed part of their wage as these were given voluntarily, consistently, and without any condition;[63] (2) the varying amount of benefit and the different names given to the bonuses should not be used as grounds to allow employers to unilaterally deny the workers the enjoyment of the benefit which has already ripened into a demandable right;[64] (3) the uniformity in the name of the bonus or purpose is not a requirement before a bonus can ripen into a demandable right as the law does not mandate such requirement;[65] and (4) in the recent Resolutions dated October 15, 2014 and February 11, 2015, in *Coca-Cola Bottlers Philippines, Inc. v. Mario G. Ustaris et al.* (*Ustaris*) docketed as G.R. No. 214149, this Court already ruled with finality that the subject bonuses constitute a demandable right of the workers.[66]

On July 8, 2015, CCBPI filed a Manifestation[67] informing that several Resolutions have been issued by this Court resolving to deny the petitions separately filed by the workers of CCBPI which challenged the separate rulings of the Court of Appeals declaring that the grant of the same bonuses did not ripen into a company practice and is not a demandable benefit. These cases are as follows: (1) *SACORU and CCBPI San Fernando Plant Employees, et al. v. Coca-Cola Bottlers Philippines, Inc.* docketed as G.R. No. 206506 (*SACORU*);[68] (2) *Jeffrey Nido, et al. v. Coca-Cola Bottlers*

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57 *Id.* at 88.
58 *Id.* at 88–89.
59 *Id.* at 16–19. Dated July 26, 2019.
60 *Id.* at 126–132.
61 *Id.* at 19.
62 *Rollo* (G.R. No. 218010), pp. 801–834.
63 *Id.* at 818–820.
64 *Id.* at 821.
65 *Id.* at 824–831.
66 *Id.* at 831–833.
67 *Id.* at 848–851.
68 *Id.* at 853–854.

Philippines, Inc., et al. docketed as G.R. No. 214996 (*Nido*);[69] and (3) *Coca-Cola Workers Union-Bicol Region, Lorenzo B. Deris, et al. v. Coca-Cola Bottlers Philippines, Inc.* docketed as G.R. No. 215681 (*Deris*). These cases involved substantially the same subject matter. The Court of Appeals similarly resolved in each case that the grant of bonus has not ripened into a demandable benefit in favor of the workers. When brought to this Court *via* separate petitions for review on *certiorari*, these were all denied and the assailed Court of Appeals decisions were affirmed.[70]

In its Comment,[71] CCBPI maintained that: (1) the various grants it gave to the workers remain to be mere bonuses over which they have no right to demand;[72] and (2) this Court has already ruled with finality in similar cases that the so-called annual year-end bonus premised on the previous grant of "one-time" economic assistance,.Christmas gift or transition bonus did not ripen into a company practice and is thus, not a demandable right.[73]

In their Reply,[74] the workers reiterated the arguments in their petition. In addition, the workers posited that the case should be elevated to the *en banc* to establish the rule on the identical claims of the workers of CCBPI for the payment of bonus.[75]

On the other hand, in the Petition[76] docketed as G.R. No. 248662, the workers argued that their right to a yearly bonus must be upheld. They contend that only the computation of the monetary consequences of this right is affected but this is not a violation of the principle of immutability of final judgments.[77] They also contended that the April 18, 2011 Decision of the labor arbiter that was affirmed in the National Labor Relations Commission's February 29, 2012 Decision and July 25, 2012 Resolution, cannot be modified nor nullified at the execution stage by a mere resolution based on a Petition for *Certiorari*.[78]

In CCBPI's Comment[79] to the Petition docketed as G.R. No. 248662, it insisted that the July 25, 2012 Resolution of the National Labor Relations Commission had already been set aside by the CA in its August 19, 2014 Decision in the case docketed as CA-G.R. SP No. 126819, and it is now settled that the employees are not entitled to the year-end bonus.[80] CCBPI highlighted

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69 *Id.* at 855.
70 *Id.* at 853, 855, & 857.
71 *Id.* at. 864–879.
72 *Id.* at 870–874.
73 *Id.* at 875–878.
74 *Id.* at 997–1005.
75 *Id.* at 1004.
76 *Rollo* (G.R. No. 248662), pp. 23–41.
77 *Id.* at 39.
78 *Id.* at 39–40.
79 *Rollo* (G.R. No. 248662), pp. 638–668.
80 *Id.* at 655–658.

the SACORU case docketed as G.R. No. 206506, the Nido case docketed as G.R. No. 214996, the Deris case docketed as G.R. No. 215681, and *Ricardo Briones et al. v. Coca Cola Bottlers Philippines, Inc.* (*Briones*) docketed as G.R. No. 225144. CCBPI argued that in the said cases, it had already been settled that the so-called annual year-end bonus premised on the previous grant of "one-time" economic assistance, Christmas gift, or bonus has not ripened into a company practice and is thus not a demandable right.[81]

In their Reply,[82] the workers restated their arguments in their Petition docketed as G.R. No. 248662. In addition, the employees maintain that the SACORU case and the other cases cited by CCBPI are not applicable to the present case because they do not involve identical facts and issues. They opined that the controversy in G.R. No. 248662 is not whether the workers are entitled to a yearly bonus but whether the National Labor Relations Commission committed grave abuse of discretion in reversing the Order of the labor arbiter executing a decision that had already been affirmed with finality.[83] They added that even if this Court will decide the main case in favor of CCBPI, the employees' right to a year-end bonus for the years 2011 to 2021 remains as this has already been declared final and executory.[84]

Issues

I.

Whether this Court is bound by the minute resolutions in G.R. Nos. 206506, 214996, 215681, and 214149;

II.

Whether the discontinuation of the bonus in the form of one-time economic assistance, grant, gift, or transition bonus constitutes diminution of benefits proscribed under Article 100 of the Labor Code;

III.

Whether the entitlement to a year-end bonus of the employees in G.R. No. 248662 had already been declared final and executory and may no longer be reviewed by this Court; and

IV.

Whether the National Labor Relations Commission committed grave abuse of discretion in reversing the Order of the labor arbiter executing a decision that had already been affirmed with

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81 *Id.* at 658–667.
82 *Id.* at 723–751.
83 *Id.* at 749–750.
84 *Id.* at 750–751.

finality.

This Court's Ruling

The Petition must be denied.

This Court is not bound by the minute resolutions in G.R. Nos. 206506, 214996, 215681, and 214149

At the outset, this Court must address the binding effect of the minute resolutions in G.R. Nos. 206506, 214996, 215681, and 214149 which involved the same subject matter as the present case, albeit filed by a different set of workers of CCBPI. The workers insist that this Court is bound by its Resolutions dated October 15, 2014 and February 11, 2015 in the *Ustaris* case docketed as G.R. No. 214149, wherein this Court upheld the ruling that the subject bonuses constitute a demandable right of the workers.[85] On the other hand, the respondent invokes the binding effect of the separate Resolutions of this Court in the *SACORU* case docketed as G.R. No. 206506, *Nido* case docketed as G.R. No. 214996, and *Deris* case docketed as G.R. No. 215681, all denying the claim for payment of bonuses instituted by other workers of CCBPI.[86]

In this regard, it is worthy to point out the ruling of this Court in *Phil. Health Care Providers, Inc. v. Commissioner of Internal Revenue*[87] where a minute resolution was differentiated from a decision. In discussing the binding effect of a minute resolution, this Court explained:

> Petitioner argues that the dismissal of G.R. No. 148680 by minute resolution was a judgment on the merits; hence, the Court should apply the CA ruling there that a health care agreement is not an insurance contract.
>
> It is true that, although contained in a minute resolution, our dismissal of the petition was a disposition of the merits of the case. When we dismissed the petition, we effectively affirmed the CA ruling being questioned. As a result, our ruling in that case has already become final. When a minute resolution denies or dismisses a petition for failure to comply with formal and substantive requirements, the challenged decision, together with its findings of fact and legal conclusions, are deemed sustained. But what is its effect on other cases?
>
> With respect to the same subject matter and the same issues concerning the same parties, it constitutes *res judicata*. However, if other parties or another subject matter (even with the same parties and issues) is involved, the minute resolution is not binding precedent. Thus, in *CIR v.*

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85 *Id.* at 831–833.
86 *Id.* at 848–851.
87 616 Phil. 387 (2009) [Per J. Corona, Special First Division].

> *Baier-Nickel*, the Court noted that a previous case, *CIR v. Baier-Nickel* **involving the same parties and the same issues**, was previously disposed of by the Court thru a minute resolution dated February 17, 2003 sustaining the ruling of the CA. Nonetheless, the Court ruled that the **previous case "ha(d) no bearing"** on the latter case because the two cases involved different subject matters as they were concerned with the taxable income of different taxable years.
>
> . . . .
>
> Accordingly, since petitioner was not a party in G.R. No. 148680 and since petitioner's liability for DST on its health care agreement was not the subject matter of G.R. No. 148680, petitioner cannot successfully invoke the minute resolution in that case (which is not even binding precedent) in its favor. Nonetheless, in view of the reasons already discussed, this does not detract in any way from the fact that petitioner's health care agreements are not subject to DST.[88] (Emphasis in the original; citations omitted)

Similarly, in the case of *Philippine Pizza, Inc. v. Poras*,[89] this Court explicitly stated that:

> [A]lthough the Court's dismissal of a case via a minute resolution constitutes a disposition on the merits, the same could not be treated as a binding precedent to cases involving other persons who are not parties to the case, or another subject matter that may or may not have the same parties and issues. In other words, a minute resolution does not necessarily bind non-parties to the action even if it amounts to a final action on a case.[90] (Citations omitted)

It appears from the records that the workers were not made parties to the cases of *Ustaris, SACORU, Nido,* and *Deris.* Applying the principle laid down in *Philippine Health Care Providers, Inc.* and *Philippine Pizza, Inc.* to the present case, it is clear that both parties cannot invoke the minute resolutions in G.R. Nos. 206506, 214996, 215681, and 214149 as these are not binding precedents. Considering that the workers who instituted it were not impleaded and did not participate in any way in the cases of *Ustaris, SACORU, Nido*, and *Deris*, the dictates of due process and fairness permit this Court to resolve the present case independently.

The Court of Appeals erred in applying the doctrine of *stare decisis* in ruling that the cases of *SACORU, Nido,* and *Deris* are binding to the present case. To recall, the doctrine of *stare decisis* refers to the judicial policy that:

> [E]njoins adherence to judicial precedents. It requires courts in a country to follow the rule established in a decision of the Supreme Court thereof. That

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88 *Id.* at 420–422.

89 839 Phil. 381 (2018) [Per J. Perlas-Bernabe, Second Division].

90 *Id.* at 390, citing *Read-Rite Philippines, Inc. v. Francisco*, 816 Phil. 851 (2017) [Per J. Leonardo-De Castro, First Division].

> decision becomes a judicial precedent to be followed in subsequent cases by all courts in the land. The doctrine of *stare decisis* is based on the principle that once a question of law has been examined and decided, it should be deemed settled and closed to further argument.[91] (Citations omitted)

Indeed, the issues and facts in *SACORU, Nido,* and *Deris* are all identical to the present case, albeit instituted by different groups of workers of the respondent. However, it bears to stress that the application of the doctrine of *stare decisis* presupposes the existence of a decision in the previous case settled by this Court.

There are marked differences between a decision and a minute resolution. Relevant to this discussion are the distinctions between the two issuances of this Court with respect to the content and the binding effect of these issuances to other cases. In *Philippine Health Care Providers, Inc.*, this Court distinguished the two issuances as follows:

> [T]here are substantial, not simply formal, distinctions between a minute resolution and a decision. The constitutional requirement under the first paragraph of Section 14, Article VIII of the Constitution that the facts and the law on which the judgment is based must be expressed clearly and distinctly applies only to decisions, not to minute resolutions. A minute resolution is signed only by the clerk of court by authority of the justices, unlike a decision. It does not require the certification of the Chief Justice. Moreover, unlike decisions, minute resolutions are not published in the Philippine Reports. Finally, the proviso of Section 4(3) of Article VIII speaks of a decision. Indeed, as a rule, this Court lays down doctrines or principles of law which constitute binding precedent in a decision duly signed by the members of the Court and certified by the Chief Justice.[92] (Citation omitted)

This Court's Minute Resolutions in G.R. Nos. 206506, 214996, 215681, and 214149 are bereft of complete statements of the facts, and the discussion of the legal justifications applied by this Court in resolving the cases. Therefore, similar to the ruling of this Court in *Philippine Pizza, Inc.*, the doctrine of *stare decisis* does not apply.[93]

The discontinuation of the bonus in the form of one-time economic assistance, grant, gift, or transition bonus does not constitute a diminution of benefits proscribed under Article 100 of the Labor Code

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91 *Castillo v. Sandiganbayan*, 427 Phil. 785, 793, (2002) [Per J. Buena, Second Division].

92 *Phil. Health Care Providers*, *supra* note 86, at 421-422.

93 *Philippine Pizza, Inc.*, *supra* note 88.

Having settled that this Court is not bound by the pronouncements in the Minute Resolutions in G.R. Nos. 206506, 214996, 215681, and 214149, this Court shall now resolve the main issue in this case—whether the subject bonus formed part of the wage of the workers that cannot be unilaterally withdrawn by CCBPI.

The State has a constitutional mandate to "protect the rights of workers and promote their welfare"[94] and "to afford labor full protection."[95] In carrying out these duties, among the features introduced by the Congress in the Labor Code of the Philippines is the principle of non-diminution of benefits. Article 100 of the same Code states:

> Article. 100. **Prohibition against Elimination or Diminution of Benefits.** Nothing in this Book shall be construed to eliminate or in any way diminish supplements, or other employee benefits being enjoyed at the time of promulgation of this Code. (Emphasis in the original)

In resolving the issue presented in this case, it is imperative to determine the nature of the bonus being demanded by the workers. In the case of *Producers Bank of the Phils. v. NLRC*,[96] this Court defined a bonus as:

> [A]n amount granted and paid to an employee for his industry and loyalty which contributed to the success of the employer's business and made possible the realization of profits. It is an act of generosity granted by an enlightened employer to spur the employee to greater efforts for the success of the business and realization of bigger profits. The granting of a bonus is a management prerogative, something given in addition to what is ordinarily received by or strictly due the recipient. Thus, a bonus is not a demandable and enforceable obligation, except when it is made part of the wage, salary[,] or compensation of the employee.[97] (Citations omitted)

Based on the foregoing definition, it is clear that whether the grant of a bonus is a demandable obligation on the part of the employer will depend on

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94 CONST., art. II, sec. 18: The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.

95 CONST., art. XIII, sec. 3: The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.
It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.
The State shall promote the principle of shared responsibility between workers and employers and the preferential use of voluntary modes in settling disputes, including conciliation, and shall enforce their mutual compliance therewith to foster industrial peace.
The State shall regulate the relations between workers and employers, recognizing the right of labor to its just share in the fruits of production and the right of enterprises to reasonable returns on investments, and to expansion and growth.

96 407 Phil. 804 (2001) [Per J. Gonzaga-Reyes, Third Division].

97 *Id.* at 812–813.

the circumstances and conditions imposed for its payment. In *Vergara, Jr. v. Coca-Cola Bottlers Philippines, Inc.*,[98] this Court explained that the prohibition against diminution of benefits applies "only if the grant or benefit is founded on an express policy or has ripened into a practice over a long period of time which is consistent and deliberate."[99] Here, there is no CBA or employment contract granting the benefits. Instead, the workers claim that the grant of bonus has ripened into a company practice.

As a rule, practice or custom is "not a source of a legally demandable or enforceable right."[100] To invoke the prohibition against diminution of benefits under the premise that the grant of bonus has ripened into a company practice, it presupposes the existence of a company practice favorable to the employees has been clearly established.[101] The *onus* lies on the employee to prove such company practice.[102]

In the present case, the CA correctly ruled that CCBPI's act of giving bonuses for several years, for different purposes, and in varying amounts, did not give rise to a company practice that may no longer be discontinued or withdrawn.

The claim of the workers that CCBPI had continuously and deliberately given yearly bonuses to its employees is inaccurate. As aptly underscored by the CA, granting bonuses denominated as one-time grant, one-time gift, one-time economic assistance, or one-time transition bonus did not qualify as a regular practice of the company as these were not consistently and deliberately given. A careful scrutiny of the various bonuses would show that the frequency and consistency of the grant were among the critical factors in arriving at the conclusion that it has not ripened into a company practice. It must be stressed that no bonus was granted in 1998 to 2001. Also, there were instances when two bonuses were given within a year, and these were granted upon the discretion of the management.

To illustrate the lack of pattern and consistency that bolsters the view that there was no intention to give the bonus regularly, this Court highlights the observation of the CA that in 2002 to 2004, the workers received economic assistance in June and a one-time gift in December. However, the economic assistance was not given in 1997 and in 2005 to 2007. This hardly qualifies as a company practice, continuously and deliberately given by the employer. As correctly concluded by the CA, if the workers truly believed that these bonuses were intended as additional remuneration that formed part of their

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98 707 Phil. 255 (2013) [Per J. Peralta, Third Division].
99 *Id.* at 262.
100 *Id.* (Citation omitted)
101 *Vergara, Jr. v. Coca-Cola Bottlers Philippines, Inc.*, *id.* at 265.
102 *Home Credit Mutual Building v. Prudente*, G.R. No. 200010, August 27, 2020 [Per J. Lopez, J., First Division] at 4–5. This pinpoint citation refers to the copy of this Decision uploaded to the Supreme Court website.

respective wages, they should have immediately questioned the withdrawal at the most opportune time.[103] Thus, the workers failed to show that the benefit claimed was given regularly, continuously, and without any interruption for a considerable length of time.

This Court also cannot ignore the fact that the bonuses previously granted were not unconditionally granted. The grant of these bonuses was subject to the approval of the management and the implementation was carried out through a series of guidelines prepared by the management outlining the purpose, the formula for the computation of the amount, and the employees covered by the particular bonus.[104] Clearly, the "one-time" bonus, economic assistance, or gift previously given were merely acts of generosity of respondent that are beyond what is required by law to be given to the workers.

In support to the claim of the workers that they are entitled to the bonus, they argue that the amount of the bonuses they previously received was fixed. This is erroneous. As noticed by the CA, the amounts varied from year to year, depending on guidelines approved by the management. In fact, except for the one-time transition bonus in 2007, there was a downtrend in the value of the bonuses.[105]

It was incorrect for the workers to invoke the cases of *Metropolitan Bank and Trust Company v. NLRC*[106] and *MERALCO v. Sec. Quisumbing*[107] in arguing that even when the bonuses differed in amount and were given different titles, these still ripened into a demandable benefit.[108] These cases are not on all fours as in the present case.

The workers failed to take into consideration that in *Metrobank*, the employer therein consented, as reflected in at least four memoranda coinciding with the approval of the four collective bargaining agreements, to grant benefits such as retirement benefits to its rank-and-file employees and bank officers. Such circumstance is not present in the case at bar since there is no memorandum or any other document reflecting CCBPI's deliberate intention to grant bonuses as a company practice. There is no provision in the collective bargaining agreement that would substantiate this arrangement with the company. Hence, the cited case is not applicable to the present case.

Even the ruling in *Meralco* finds no application to the case at bar as it does not share the same factual milieu as the present case. In the cited case, this Court ruled that granting a Christmas bonus ripened into a company

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103 *Rollo* (G.R. No. 218010), p. 40.
104 *Id.* at 40–41.
105 *Id.* at 41.
106 607 Phil. 359 (2009) [Per J. Leonardo-De Castro, First Division].
107 361 Phil. 845 (1999) [Per J. Austria-Martinez, First Division].
108 *Rollo* (G.R. No. 218010), p. 821.

practice as it had been consistently given for a considerable length of time even if the amount varied. For several years, the purpose of the bonus had remained constant. It was an additional remuneration given in the spirit of Christmas. However, in the present case, it was not only the amount of the bonus that varied but also the name, purpose, and scope of the bonus. It also bears to stress that the bonus CCBPI awarded was not always given in cash. In 2004, 2005, and 2006, the cash grant was accompanied with gift certificates in varying amounts. Furthermore, in *Meralco*, the company did not make it explicitly clear that the Christmas bonus was only temporary. Meanwhile, in the present case, CCBPI made it explicitly clear that all the grants, when awarded, were only "one-time" acts of generosity.

The issues raised in the petition docketed as G.R. No. 248662 have already been rendered moot and academic

To recall, the issues raised by the workers in the Petition docketed as G.R. No. 248662 are essentially anchored on the premise that the labor arbiter and the National Labor Relations Commission awarded them "*bonuses from 2008 to 2010, each yearly bonus equivalent to their respective monthly pay multiplied by three or the number of years it remained unpaid.*"[109] The issues of whether the decision awarding the workers' year-end bonus has been declared final and executory, and whether the National Labor Relations Commission committed a grave error in reversing the Order of the labor arbiter at the execution stage presupposes the existence of a final and executory decision in favor of the workers. However, as discussed above, the bonus given to the workers did not ripen into a company practice. Hence, they are not entitled to these bonuses.

Noticeably, the Petition in G.R. No. 248662 includes parties, majority of whom are also the same workers who filed the Petition in G.R. No. 218010. Moreover, the decision of the labor arbiter and the National Labor Relations Commission in favor of the workers had already been overturned by the decision and resolution of the Court of Appeals in the case docketed as CA-G.R. SP No. 137718. The declarations of the Court of Appeals in the said decision and resolution that the workers are not entitled to the bonus was a result of the exercise of its power to review decisions of the labor tribunals, which this Court affirms. As such, there is no monetary award based on a final and executory decision in favor of the workers that can be implemented.

As regards the amount that may have been already executed, the same is governed by Section 18, Rule XI of the 2011 National Labor Relations Commission Rules of Procedure, as amended, which states:

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109 *Id.* at 90.

> **SECTION 18.** ***RESTITUTION.*** — Where the executed judgment is totally or partially reversed or annulled by the Court of Appeals or the Supreme Court with finality and restitution is so ordered, the Labor Arbiter shall, on motion, issue such order of restitution of the executed award, except reinstatement wages paid pending appeal. (Emphasis in the original)

ACCORDINGLY, the Petition for Review on *Certiorari* is **DENIED**. The Decision and the Resolution of the Court of Appeals in CA-G.R. SP No. 126819, and the Decision and the Resolution of the Court of Appeals in CA-G.R. SP No. 137718 are **AFFIRMED**. The petitioners who are the employees of Coca-Cola Bottlers Phils., Inc. (now known as Coca-Cola Femsa Phils.), are **NOT ENTITLED** to the bonuses subject of the instant case.

SO ORDERED.

JHOSEP Y. LOPEZ
Associate Justice

WE CONCUR:

On separate discurt

MARVIC M.V.F. LEONEN
Senior Associate Justice

HENRI JEAN PAUL B. INTING
Associate Justice

SAMUEL H. GAERLAN
Associate Justice

ANTONIO T. KHO, JR.
Associate Justice

ATTESTATION

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

MARVIC M.V.F. LEONEN
Senior Associate Justice
Chairperson, 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 Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ALEXANDER G. GESMUNDO
Chief Justice

SECOND DIVISION

G.R. No. 218010 – FERNAND O. MATERNAL, et al., Petitioners **v. COCA-COLA BOTTLERS PHILS., INC. (now known as COCA-COLA FEMSA PHILS., INC.),*** Respondent.

G.R. No. 248662 – FERNAND O. MATERNAL, et al., Petitioners **v. COCA-COLA BEVERAGES PHILIPPINES, INC. (CCBPI) formerly known as COCA-COLA FEMSA PHILIPPINES, INC. (CCFPI),** Respondent.

Promulgated:

FEB 0 6 2023

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DISSENTING OPINION

LEONEN, *J.*:

I humbly beg the indulgence of my esteemed colleague but I must dissent from his *ponencia*, which found that an annual bonus regularly received by the employees of respondent Coca-Cola Bottlers Phils., Inc. for at least seven years had not ripened into a company practice.

A bonus is an act of generosity from an employer that aims to recognize the employees' contribution to the realization of profits or to encourage them to perform better. The grant of a bonus is a management prerogative and is not demandable, unless it has become part of the employee's wage or compensation.[1] *Metro Transit Organization, Inc. v. National Labor Relations Commission*[2] instructs when a bonus is considered part of an employee's wage and when it is not:

> Whether or not a bonus forms part of wages depends upon the circumstances and conditions for its payment. *If it is additional compensation which the employer promised and agreed to give without any conditions imposed for its payment, such as success of business or greater production or output, then it is part of the wage. But if it paid only if profits are realized or if a certain level of productivity is achieved, it cannot be considered part of the wage.* Where it is not payable to all but only to some employees and only when their labor becomes more efficient or more productive, it is only an inducement for efficiency, a prize

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* Also referred to as "Coca-Cola Bottlers Phils., Inc. (formerly known as Coca-Cola FEMSA Phils., Inc.)"

1 *Producers Bank of the Philippines v. National Labor Relations Commission*, 407 Phil. 804, 813 (2001) [Per J. Gonzaga-Reyes, Third Division].

2 315 Phil. 860 (1995) [Per J. Feliciano, Third Division].

therefore, not a part of the wage.[3] (Emphasis in the original)

Metropolitan Bank and Trust Company v. National Labor Relations Commission[4] then explains that "to be considered a company practice, the giving of the benefits should have been done over a long period of time, and must have been shown to have been consistent and deliberate."[5]

There is no hard-and-fast rule as regards the length of time needed for an act to constitute a company practice. Instead, what needs to be proven with substantial evidence is that the employer granted benefits over a significant period of time and that this was done with regularity and deliberateness.[6]

The facts are not disputed. Petitioners, as respondent's employees, received annual bonuses, which were released either mid-year or end of the year in 1997 and in 2001 to 2007. The details of the bonuses received are as follows:[7]

DATE	BONUS	AMOUNT	RECIPIENT
November 26, 1997	One-Time Grant	For monthly-paid, non-commission earning [personnel]: 80% of the basic salary rate; For Sales Office in Charge: 80% of the basic salary rate; For monthly-paid commission earning personnel: 80% of basic salary rate plus 80% of average monthly sales commission for the past 12 months immediately preceding month of the grant of incentive; For daily paid personnel: 80% of resulting monthly rate after conversion of daily rate.	Non-Commission and Commission-Earning Monthly and Daily Paid Personnel of CCBPI
July 13, 2001	One-Time Economic Assistance	One half (1/2) of the basic salary or P40,000.00, whichever is lower	All Regular CCBPI Employees except Officers and those holding the position of Asst. Vice Pres. &

[3] *Metro Transit Organization, Inc. v. National Labor Relations Commission*, 315 Phil. 860, 871 (1995) [Per J. Feliciano, Third Division].

[4] 607 Phil. 359 (2009) [Per J. Leonardo-De Castro, First Division].

[5] *Metropolitan Bank and Trust Company v. National Labor Relations Commission*, 607 Phil. 359, 370 (2009) [Per J. Leonardo-De Castro, First Division].

[6] *Vergara v. Coca-Cola Bottlers Philippines, Inc.*, 707 Phil. 255, 262–263 (2013) [Per J. Peralta, Third Division].

[7] *Ponencia*, pp. 4–5.

			above
June 2, 2002	One-Time Economic Assistance	Seventy-five (50%) [sic] of basic salary or P40,000.00 whichever is lower	All Employees/ Personnel of CCBPI whether Commission or Non-Commission Based
November 5, 2002	One-Time Gift	Seventy-five (75%) of basic salary	All Employees/ Personnel of CCBPI whether Commission or Non-Commission
June 27, 2003	One-Time Economic Assistance	Fifty Thousand Pesos (P50,000.00) or 50% of basic salary, whichever is lower	All Regular CCBPI Employees except Officers and those holding the position of Asst. Vice Pres. & above
June 25, 2004	One-Time Economic Assistance	Twenty Thousand Pesos (P20,000.00) or one-half of the basic salary, whichever is lower	All Philippine-based Regular Employees of San Miguel Group of Companies which then included CCBPI
December 2, 2004	One-Time Gift	Five Thousand Pesos (P5,000.00) worth of SMC Gift Certificates and Cash amounting to seventy-five percent (75%) of basic pay	All Philippine-based Regular Employees of San Miguel Group of Companies which then included CCBPI
December 2, 2005	One-Time Christmas Gift	Seven Thousand Pesos (P7,000.00) worth of SMC Gift Certificates and Cash amounting to fifty percent (50%) of basic pay or Fifty Thousand Pesos (P50,000.00), whichever is smaller	All Philippine-based Regular Employees of San Miguel Group of Companies which then included CCBPI
November 17, 2006	One-Time Gift	Eight Thousand Pesos (P8,000.00) worth of SMC Gift Certificates and Cash amounting to fifty percent (50%) of basic pay	All Philippine-based Regular Employees of San Miguel Group of Companies which then included CCBPI
December 7, 2007	One-Time Transition Bonus	One Month pro-rated base pay	All CCBPI Associates who were regular in status as of regular employee

In 2007, respondent announced that beginning 2008, all bonuses, save for the 13th month pay, would be based on individual performance and/or department performance. However, respondent failed to release any performance-based bonus or incentives in 2008 and 2009, prompting petitioner employees to file a claim for payment of the annual bonus.[8]

[8] *Rollo* (G.R. No. 218010), p. 54.

On April 18, 2011, the labor arbiter[9] found that the annual bonus had ripened into a company practice and awarded petitioners a yearly bonus equivalent to their monthly pay. The dispositive portion of the labor arbiter's Decision reads:

> WHEREFORE, premises considered, CCBPI is ORDERED to pay each of the complainants their yearly bonuses from 2008 to 2010, each yearly bonus equivalent to their respective monthly pay multiplied by three or the number of years it remained unpaid, thus:
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> . . . .
>
> This Office also DIRECTS CCBPI to pay complainants attorney's fees equivalent to 10% percent of the monetary award in the amount of P469,245.10.
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> It is understood that legal interest shall run until this decision becomes final and executory.
>
> The complaints of DANNY BALUNES, JOY OCADO, RONNIE PALENTINOS, REYNANTE C. BASINANG, RAMIL DURAN, VICTORINO O. A[TIENZA]. JR., ALLAN B. MOLE, WILBERT BANAYO, CHRISTIAN CANTOS, and [AR]NALDO P. BATIS are dismissed for failure to substantiate the same.
>
> SO ORDERED.[10]

Both parties partially appealed the labor arbiter's Decision to the National Labor Relations Commission, but their appeals were dismissed.[11] The dispositive portion of the National Labor Relations Commission's February 29, 2012 Decision reads:

> WHEREFORE, premises considered, judgment is hereby rendered DISMISSING both appeals for lack of merit. The decision of the Labor Arbiter dated April 18, 2011 is hereby AFFIRMED.
>
> SO ORDERED.[12]

Upon respondent's Motion for Reconsideration, the National Labor Relations Commission modified[13] its earlier Decision and changed the amount of the annual bonus to two-thirds of the basic monthly pay. The dispositive portion of its July 25, 2012 Resolution reads:

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9 *Id.* at 69–93. The Decision docketed as NLRC Case No. SRAB-IV-09-5179-10-L was penned by Labor Arbiter Melchisedek A. Guan.

10 *Id.* at 90–93.

11 *Id.* at 58–67. The Decision docketed as NLRC Case No. 07-001838-11 (NLRC Case No. SRAB IV 09-5179-10-L, NLRC Case No. SRAB IV 09-5186-10-L) was penned by Presiding Commissioner Joseph Gerard E. Mabilog and concurred in by Commissioners Isabel G. Panganiban-Ortiguerra and Nieves E. Vivar-De Castro of the Sixth Division, National Labor Relations Commission, Quezon City.

12 *Id.* at 66.

13 *Id.* at 53–56. The Resolution was penned by Presiding Commissioner Joseph Gerard E. Mabilog and concurred in by Commissioners Isabel G. Panganiban-Ortiguerra and Nieves E. Vivar-De Castro of the Sixth Division, National Labor Relations Commission, Quezon City.

> WHEREFORE, the Decision of the Labor Arbiter is modified in that the amount of yearly bonus from 2008 to 2010, be equivalent to 2/3 of basic monthly pay.
>
> SO ORDERED.[14]

Alleging grave abuse of discretion on the part of the labor tribunals, respondent filed a Petition for *Certiorari* before the Court of Appeals.

On August 19, 2014, the Court of Appeals[15] granted the Petition and reversed the labor tribunals. The dispositive portion of the Court of Appeals Decision reads:

> WHEREFORE, We GRANT the instant Petition for *Certiorari* and DECLARE as VOID the Decision dated February 29, 2012 and Resolution dated July 28, 2012 of the National Labor Relations Commission (Sixth Division) in NLRC LAC Case No. 07-001838-11/ NLRC Case No. SRAB IV-09-5179-10-L, NLRC Case No. SRAB IV-09-5186-10-L.
>
> SO ORDERED.[16]

Petitioners moved for the reconsideration of the Court of Appeals Decision but their motion was denied on March 17, 2015.[17] The dispositive portion of the Court of Appeals Resolution reads:

> WHEREFORE, We DENY the Motion for Reconsideration for lack of merit.
>
> SO ORDERED.[18]

The *ponencia* upheld the ruling of the Court of Appeals, but I believe that the appellate court erred in reversing the labor tribunals. Contrary to the findings of the Court of Appeals, the facts substantially show that the annual bonus had already ripened into a company practice, making it a demandable right and its nonpayment a violation of Article 100 of the Labor Code.[19]

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14 *Id.* at 56.

15 *Id.* at 29–44. The Decision docketed as CA-G.R. SP No. 126819 was penned by Associate Justice Zenaida T. Galapate-Laguilles and concurred in by Associate Justices Jane Aurora C. Lantion and Amy C. Lazaro-Javier (now a member of this Court) of the Special Fourteenth Division, Court of Appeals of Manila.

16 *Id.* at 43.

17 *Id.* at 24–27. The Resolution was penned by by Associate Justice Zenaida T. Galapate-Laguilles and concurred in by Associate Justices Jane Aurora C. Lantion and Amy C. Lazaro-Javier (now a member of this Court) of the Former Special Fourteenth Division, Court of Appeals of Manila.

18 *Id.* at 26.

19 ART. 100. Prohibition against elimination or diminution of benefits. Nothing in this Book shall be construed to eliminate or in any way diminish supplements, or other employee benefits being enjoyed at the time of promulgation of this Code.

It is not disputed that in 1997 and in 2001 to 2007, respondent handed out a "one-time" bonus at least once a year, released either middle of the year or end of the year, which was based on a fixed percentage of the employees' basic monthly salary. The Court of Appeals pointed to the gap between 1997 and 2001 to support its finding that there was no consistency or deliberateness in the granting of the annual bonuses.[20] However, it conveniently omitted the seven-year period where respondent regularly gave out at a bonus at least once a year. As the labor arbiter correctly observed, even limiting the evidence to the bonuses released from 2001 to 2007 would still lead to a company practice.[21]

Further, a careful review of the memoranda[22] related to the conferment of the bonus in 1997 and in 2001 to 2007 shows that the annual bonuses were neither an inducement for the employees to improve their performance nor were they contingent on the success of respondent's business or profitability. Instead, the subject bonuses were "intended to provide meaningful help" to respondent's regular employees.[23] The labor arbiter thus observed:

> The evidence for respondents reveals that they did not offer a reason or purpose for the payment of the "1997 One-Time Grant". There is nothing in the guidelines which show that the grant was in the form of a profit-sharing bonus. The 2002 "One-Time Economic Assistance" is no different, although this time, CCBPI stated that the "monetary assistance is intended to provide meaningful help in meeting the financial needs of (the) employees especially at the time of year. This line was repeated in the memoranda on the granting of bonuses in 2003 and 2004. In 2005 and 2006, respondents abandoned this line and simply thanked the employees for their support and dedication for the years past. In 2007, respondents awarded their employees with one-time transition bonus for their "extra efforts."
>
> Clearly, the giving of bonuses in CCBPI was not dependent on respondents capacity to pay in a given year."[24]

The labor arbiter's finding was echoed by the National Labor Relations Commission:

> In this case, there is not one iota of evidence to show that the bonuses given were paid on the basis of certain conditions such as realization of profits for a particular year or even maybe having savings because of implementation of certain programs or because of meritorious performance. The gifts were not given as incentives. The memoranda earlier than 2007 covering the grant of such bonuses do not contain any condition that would qualify the same (Records, pp. 83, 87, 90, 91, 93, 94). In contrast, the memorandum for the 2007 gift expressly provided that

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20 *Rollo* (G.R. No. 218010), p. 40.
21 *Id.* at 81–82.
22 *Id.* at 30–33.
23 *Id.* at 31–32.
24 *Id.* at 83–84.

> "beginning 2008 all bonuses other than the 13th month payment will be replaced by an individual and/or department incentive program based on specific performance metrics" (Records, p. 95) which was likewise mentioned in the 2008 memorandum (Records, p. 96). This clearly bolsters the finding that the gifts/ bonuses from 1997 to 2007 were given without any condition. Having been given to the employees without any condition the gifts form part of the employees' wages and since this was done for 10 years it has already ripened into a long standing company practice.[25]

It is well-settled that if supported by substantial evidence, findings of fact of quasi-judicial and administrative tribunals should be accorded great respect and even finality by the courts.[26]

Clearly, despite the different names bestowed on the bonuses, respondent regularly and deliberately gave an annual bonus at least once a year from 2001 to 2007. These fixed[27] bonuses were based on a percentage of the employees' basic monthly pay and were not contingent on the realization of profits. There was even a year when two bonuses were distributed, and some years when gift certificates were issued together with the bonus, but the fact is that an annual bonus was constantly distributed year in and year out for seven consecutive years. Thus, I submit that such benefit had already ripened into a company practice.

ACCORDINGLY, I vote to **GRANT** the Petition.

MARVIC M.V. F. LEONEN
Senior Associate Justice

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25 *Id.* at 64, 64-1.

26 *Culili v. Eastern Telecommunications Philippines, Inc.*, 657 Phil. 342, 361 (2011) [Per J. Leonardo-De Castro, First Division].

27 *Philippine Education Co., Inc. v. Court of Industrial Relations*, 92 Phil. 381 (1952) [Per J. Padilla, First Division].