

Republic of the Philippines Supreme Court Manila

# SPECIAL SECOND DIVISION

ALASKA MILK CORPORATION, G.R. No. 237277 Petitioner,

- versus -

RUBEN P. PAEZ, FLORENTINO M. COMBITE, JR.,\* SONNY O. BATE, RYAN R. MEDRANO, and JOHN BRYAN S. OLIVER, Respondents.

X-----X ASIAPRO MULTI-PURPOSE G.R. No. 237317 COOPERATIVE,

Petitioner,

- versus -

RUBEN P. PAEZ, FLORENTINO M. COMBITE, JR., SONNY O. BATE, RYAN R. MEDRANO, and JOHN BRYAN S. OLIVER,

Respondents.

x----x

<sup>\*</sup> Referred to as "Florentino M. Combite" in some parts of the *rollo*.

DON A. GILBUENA, JAYSON P. CASTASUS, RODEZ V. CELLE, EDMEL R. DE LUNA, ALVIN M. PUNZALAN, WILMAR A. FULE, MARLON V. CLANOR, MARVIN BERROYA, MATEO **G**. **A.** NARTE, and NOEL O. AVILA, Petitioners,

- versus -

**ALASKA MILK CORPORATION,** ASIAPRO **MULTI-PURPOSE** COOPERATIVE, ANTONIO H. MA. JOSE OZAETA, and MARTIN M. CHENG,

Respondents.

X----X

G.R. No. 238965 JOEL J. ROSALES, MARK JAMES P. REGULTO, EDWARD S. MINDO, MHARK ANTHONY BOLIMA, **JEROME O**. Μ. **RODRIGUEZ. EDGARDO** R. FORTES, JR., **NELSON** Α. MATAS, ARNOLD M. QUINIA, GABBY P. GRAFIL, REDEL V. APILAN, JOELAN P. REGALIA and JUAN CRIS M. MARCO, Petitioners,

- versus -

G.R. No. 232718

# ALASKA MILK CORPORATION, WILSON A. CONTRERAS and WILFRED UYTENGSU,

Respondents.

x-----x

ALASKA MILK CORPORATION, Petitioner,

### G.R. No. 256753

Present:

- versus -

INTING, *Acting Chairperson*, ZALAMEDA, GAERLAN,<sup>\*\*</sup> LOPEZ, J.,<sup>\*\*\*</sup> and DIMAAMPAO,<sup>\*\*\*\*</sup> JJ.

DON A. GILBUENA, JAYSON P. CASTASUS, RODEZ V. CELLE, EDMEL R. DE LUNA, ALVIN M. PUNZALAN, WILMAR A. FULE, MARLON V. CLANOR, MARVIN A. BERROYA, MATEO G. NARTE, and NOEL O. AVILA, *Respondents*.

MARLON V. CLANOR, MARVIN	A)
A. BERROYA, MATEO G.	Promulgated:
NARTE, and NOEL O. AVILA, Respondents.	JUL 10 2023
X	V x

**RESOLUTION** 

INTING, J.:

For resolution of the Court are the following:

1. Motions for Reconsideration of the Court's Decision<sup>1</sup> dated November 27, 2019, in [Consolidated] G.R. No. 237277 and G. R. No. 237317:

<sup>\*\*</sup> Designated additional Member vice Associate Justice Ramon Paul L. Hernando.

Designated additional Member vice Associate Justice Priscilla J. Baltazar-Padilla (now a former Member of the Court).

<sup>&</sup>quot;" Designated additional Member vice Associate Justice Maria Filomena D. Singh.

Rollo (G.R. No. 237277). pp. 789-803. Penned by Associate Justice Andres B. Reyes, Jr. (now a former Member of the Court) and concurred in by Senior Associate Justice Estela M. Perlas-Bernabe (now a former Member of the Court), and Associate Justices Ramon Paul L. Hernando, Henri Jean Paul B. Inting, and Rodil V. Zalameda.

a) The Motion for Partial Reconsideration<sup>2</sup> filed by petitioner Alaska Milk Corporation (Alaska); and

b) The Motion for Reconsideration <sup>3</sup> filed by respondents Ruben P. Paez (Paez), Florentino M. Combite, Jr., (Combite), Sonny O. Bate (Bate), Ryan R. Medrano (Medrano), and John Bryan S. Oliver (Oliver) (collectively, Paez, *et al.*); and

2. The three Petitions for Review under Rule 45 of the Rules of Court:

a) In **G.R. No. 232718**, Don A. Gilbuena (Gilbuena), Jayson P. Castasus, Rodez V. Celle, Edmel R. De Luna, Alvin M. Punzalan, Wilmar A. Fule, Marlon V. Clanor, Marvin A. Berroya, Mateo G. Narte, and Noel O. Avila (collectively, Gilbuena, *et al.*), through counsel, filed a Petition for Review with Manifestation<sup>4</sup> which assailed the Decision<sup>5</sup> dated May 31, 2016, and the Resolution<sup>6</sup> dated June 28, 2017 of the Court of Appeals (CA) in CA-G.R. SP Nos. 135845 and 135923.

The CA granted the petitions for *certiorari* filed by Alaska and Asiapro Multi-Purpose Cooperative (Asiapro) and dismissed the complaints for illegal dismissal, regularization, nonpayment of salaries, service incentive leave pay, 13<sup>th</sup> month pay, damages and attorney's fees filed by Gilbuena, *et al.*;<sup>7</sup>

b) In **G.R. No. 238965**, Joel J. Rosales (Rosales), Mark James P. Regulto, Edward S. Mindo, Mhark Anthony O. Bolima, Jerome M. Rodriguez, Edgardo R. Fortes, Jr., Nelson A. Matas, Arnold M. Quinia,

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<sup>&</sup>lt;sup>2</sup> Id. at 940-954.

<sup>&</sup>lt;sup>3</sup> Id. at 961-978.

<sup>&</sup>lt;sup>4</sup> *Rollo* (G.R. No. 232718), pp. 10-47.

Id. at 449-466. Penned by Associate Justice Marie Christine Azcarraga-Jacob and concurred in by Associate Justices Ricardo R. Rosario (now a Member of the Court) and Edwin D. Sorongon.
 Id. at 402, 406

<sup>&</sup>lt;sup>6</sup> Id. at 493-496.

<sup>&</sup>lt;sup>7</sup> Id. at 464-465.

Gabby P. Grafil, Redel V. Apilan, Joelan P. Regalia, and Juan Cris M. Marco (collectively, Rosales, *et al.*), through counsel, filed a Petition for Review with Motion to Consolidate<sup>8</sup> which challenged the Decision<sup>9</sup> dated December 1, 2017, and the Resolution<sup>10</sup> dated April 4, 2018 of the CA in CA-G.R. SP No. 151550.

The CA dismissed the petition for *certiorari* filed by Rosales, *et al.*, and declared that Asiapro and 5S Manpower Services Cooperative (5S Manpower) were legitimate job contractors.<sup>11</sup> Further, the CA ruled that 5S Manpower was not guilty of illegal dismissal.<sup>12</sup>

c) In **G.R. No. 256753**, Alaska, through counsel, filed a Petition for Review<sup>13</sup> assailing the Decision<sup>14</sup> dated September 14, 2020, and Resolution<sup>15</sup> dated June 7, 2021 in CA-G.R. SP No. 155059. The CA ruled that the National Labor Relations Commission (NLRC) Third Division in NLRC LER No. 10-244-17, NLRC LAC No. 09-002655-13 acted in a capricious and whimsical manner when it automatically suspended the execution proceedings and nullified the Alias Writ of Execution<sup>16</sup> dated October 5, 2017 of Labor Arbiter (LA) Danna M. Castillon.<sup>17</sup>

In compliance with the Resolution<sup>18</sup> dated September 2, 2019, the Court consolidated G.R. No. 237277 with G.R. Nos. 237317, 232718, and 238965, considering that the cases involve the same parties and issues.<sup>19</sup>

<sup>&</sup>lt;sup>8</sup> Rollo (G.R. No. 238965), pp. 10-70.

 <sup>&</sup>lt;sup>9</sup> Id. at 938-963. Penned by Acting Presiding Justice Remedios A. Salazar-Fernando and concurred in by Associate Justices Mario V. Lopez (now a Member of the Court) and Ramon Paul L. Hernando (now a Member of the Court).
 <sup>10</sup> Id. at 1012-1015.

<sup>&</sup>lt;sup>10</sup> Id. at 1012-1015.

<sup>&</sup>lt;sup>11</sup> Id. at 954.

<sup>&</sup>lt;sup>12</sup> Id. at 959.

<sup>&</sup>lt;sup>13</sup> *Rollo* (G.R. No. 256753), pp. 3-22.

<sup>&</sup>lt;sup>14</sup> Id. at 243-264. Penned by Associate Justice Elihu A. Ybañez and concurred in by Associate Justices Rafael Antonio M. Santos and Carlito B. Calpatura.

<sup>&</sup>lt;sup>15</sup> Id. at 266-267.

<sup>&</sup>lt;sup>16</sup> Id. at 70-74.

<sup>&</sup>lt;sup>17</sup> Referred to as "Castillan" in the CA Decision, id. at 243-263.

<sup>&</sup>lt;sup>18</sup> Rollo (G.R. No. 238965), p. 1023.

<sup>&</sup>lt;sup>19</sup> See Resolution dated September 2, 2019, *rollo* (G.R. No. 237317), pp. 749-750.

Furthermore, in the Resolution<sup>20</sup> dated August 22, 2022, the Court consolidated G.R. No. 256753 with G.R. Nos. 232718, 237277, 237317, and 238965, as the cases involve relatively the same parties and the CA Decision and Resolution in CA-G.R. SP Nos. 135845 and 135923.<sup>21</sup>

### Antecedents

I. G.R. Nos. 237277 and 237317

The Court was presented with two consolidated petitions under Rule 45 of the Rules of Court filed by Alaska and Asiapro.

Alaska, the petitioner in G.R. No. 237277, is a duly organized domestic corporation engaged in the business of manufacturing dairy products; while Asiapro, the petitioner in G.R. No. 237317, is a duly registered cooperative that contracts out services of its worker-members. On the other hand, Paez, *et al.* worked as production helpers at Alaska's San Pedro, Laguna Plant (Laguna Plant). By virtue of Joint Operating Agreements, Asiapro and 5S Manpower engaged to provide Alaska with workers who would perform "auxiliary functions" at the Laguna Plant.<sup>22</sup>

Sometime in 2013, Paez, *et al.* were informed, through separate memoranda, that their assignments at Laguna Plant would terminate in the same year. Consequently, Paez was relieved from work on July 10, 2013; Bate, Combite, and Oliver were relieved on October 15, 2013; and Medrano was relieved on November 27, 2013. Paez and Medrano then requested Asiapro to transfer them to a different principal; while Bate, Combite, and Oliver made a similar request with 5S Manpower.<sup>23</sup>

However, before Alaska and 5S Manpower could act on the respective requests of Paez, *et al.*, the latter already filed with the LA separate complaints for illegal dismissal, regularization, and payment of money claims.<sup>24</sup>

<sup>&</sup>lt;sup>20</sup> *Rollo* (G.R. No. 256753), pp. 867-868.

 $<sup>^{21}</sup>$  Id.  $^{22}$  Ro

<sup>&</sup>lt;sup>22</sup> *Rollo* (G.R. No. 237277), p. 790.

<sup>&</sup>lt;sup>23</sup> Id. at 791.

<sup>&</sup>lt;sup>24</sup> Id.

On August 14, 2014, the LA dismissed the complaints for lack of merit. It found that Asiapro and 5S Manpower were legitimate labor contractors on the basis of their capacity to carry on an independent business and to exercise control over Paez, *et al.* through their coordinators assigned at Alaska's premises. In conclusion, the LA held that Paez, *et al.* were not Alaska's employees; thus, there was no illegal dismissal to speak of.<sup>25</sup> For the LA, Medrano and Paez were merely recalled by Asiapro for purposes of reassignment, while the fixed-term contracts of Oliver and Combite with 5S Manpower already expired.<sup>26</sup>

On appeal to the NLRC, the latter affirmed the LA Decision *in toto*. The NLRC agreed that Asiapro and 5S Manpower were engaged in legitimate labor contracting; and that Paez, *et al.* were members of Asiapro and 5S Manpower, and not of Alaska. Therefore, the NLRC declared that Paez, *et al.* were not illegally dismissed and were not entitled to the reliefs prayed for.<sup>27</sup>

In a petition for *certiorari* before the CA, the latter rendered a Decision in favor of Paez, *et al.* The CA ruled that Asiapro and 5S Manpower were engaged in labor-only contracting and that Paez, *et al.* were regular employees of Alaska. It further ruled that Asiapro and 5S Manpower lacked investments in the form of tools and equipment, and that their workers performed functions that were necessary and desirable to Alaska's operations. Accordingly, the CA declared that Paez, *et al.* were illegally dismissed.<sup>28</sup>

In the Court's Decision<sup>29</sup> dated November 27, 2019, the Court reversed and set aside the Decision<sup>30</sup> dated July 10, 2017, and the Resolution<sup>31</sup> dated February 1, 2018, of the CA in CA-G.R. SP No. 139418. It ruled as follows:

*First*, Asiapro was clearly able to prove its claim that it carried its own independent business. Aside from its established substantial capital, it showed that it had existed as early as 1999 and has since provided

<sup>&</sup>lt;sup>25</sup> Id.

<sup>&</sup>lt;sup>26</sup> Id. at 352.

<sup>&</sup>lt;sup>27</sup> Id. at 792.

<sup>&</sup>lt;sup>28</sup> Id. at 792-793.

<sup>&</sup>lt;sup>29</sup> Id. at 789-803.

<sup>&</sup>lt;sup>30</sup> Id. at 52-73. Penned by Associate Justice Maria Filomena D. Singh (now a Member of the Court) and concurred in by Associate Justices Ricardo R. Rosario (now a Member of the Court) and Edwin D. Sorongon.

<sup>&</sup>lt;sup>31</sup> Id. at 75-80.

services to other noteworthy clientele such as Stanfilco, Del Monte Philippines, and Dole Asia.<sup>32</sup>

In sharp contrast, 5S Manpower failed to prove that it possessed substantial capital or investments in the form of tools, equipment, machineries, and/or work premises, among others, in relation to the job or service to be performed. Moreover, unlike Asiapro, it was not able to establish that it had other clients aside from Alaska. Under the circumstances, 5S Manpower cannot be considered as a legitimate job contractor.<sup>33</sup>

*Second*, as regards the issue of illegal dismissal, it is undisputed that Bate, Combite, and Oliver, had been dismissed from their employment due to the expiration of their respective contracts with 5S Manpower through which they were assigned to render services at Alaska's milk manufacturing plant in Laguna Plant. However, considering that 5S Manpower was engaged in labor-only contracting, they are deemed to be Alaska's regular employees.<sup>34</sup>

Having been terminated from work without any lawful cause, Bate, Combite, and Oliver, are thus entitled to reinstatement without loss of seniority rights and other privileges, in addition to full backwages, inclusive of allowances and benefits, in accordance with Article 294 [formerly Article 279] of the Labor Code of the Philippines (Labor Code).<sup>35</sup>

And *third*, as for Medrano and Paez, there is no question that they were not illegally dismissed from work. In fact, they were not dismissed at all. Rather, after their contracts with Alaska expired, Medrano and Paez refused to report to Asiapro for reassignment to another client-principal. Consequently, their prayer for reinstatement must necessarily fail.<sup>36</sup>

The dispositive portion of the assailed Decision reads:

WHEREFORE, the petitions are PARTIALLY GRANTED. The July 10, 2017 Decision and February 1, 2018 Resolution of the Court

<sup>&</sup>lt;sup>32</sup> Id. at 800.

<sup>&</sup>lt;sup>33</sup> Id. at 798-799.

<sup>&</sup>lt;sup>34</sup> Id. at 801.

<sup>&</sup>lt;sup>35</sup> [d.

<sup>&</sup>lt;sup>36</sup> Id. at 801-802.

of Appeals in CA-G.R. SP No. 139418 are hereby REVERSED and SET ASIDE.

As regards respondents Sonny O. Bate, Florentino M. Combite, Jr., and John Bryan S. Oliver, Alaska Milk Corporation is ORDERED to reinstate them to their former positions, or the equivalents thereof, without loss of seniority rights.

As regards respondents Ruben P. Paez and Ryan R. Medrano, their complaints for illegal dismissal and regularization are hereby DISMISSED for lack of merit.

Let this case be REMANDED to the Labor Arbiter for computation, within thirty (30) days from receipt of this Decision, of the backwages and other benefits due.

SO ORDERED.<sup>37</sup> (Emphasis omitted)

### The Motions for Reconsideration

Alaska filed a Motion for Partial Reconsideration<sup>38</sup> of the Court's Decision dated November 27, 2019. Alaska argues that 5S Manpower is a legitimate job contractor and that it sufficiently proved that it complied with the substantial capital requirement under Department of Labor and Employment (DOLE) Department Order No. 18-A. Series of 2011,<sup>39</sup> as it possessed substantial capital of more than ₱3,000,000.00, or in the total amount of ₱8,373,044.00 as evidenced by the cooperative's audited financial statements.<sup>40</sup> Further, Alaska maintains that it did not exercise control over the work performance of 5S Manpower's workers.<sup>41</sup>

Paez, et al. also filed a Motion for Reconsideration<sup>42</sup> wherein they insist that all of the elements of labor-only contracting are present in the case,<sup>43</sup> thereby making Alaska their real employer.<sup>44</sup> They argue that they are entitled to reinstatement with full backwages, damages, and attorney's fees because they were illegally dismissed by Alaska.<sup>45</sup>

<sup>&</sup>lt;sup>37</sup> Id. at 802.

 <sup>&</sup>lt;sup>38</sup> Id. at 904-918.
 <sup>39</sup> Entitled "Rules Implementing Articles 106 to 109 of the Labor Code, as Amended," approved on November 14, 2011.

<sup>&</sup>lt;sup>40</sup> *Rollo* (G.R. No. 237277), p. 908.

<sup>&</sup>lt;sup>41</sup> Id. at 948-949.

<sup>42</sup> Rollo (G.R. No. 237317), pp. 925-939. 43

Id. at 928-936.

<sup>&</sup>lt;sup>44</sup> Id. at 935-936.

<sup>&</sup>lt;sup>45</sup> Id. at 936.

### The Present Petitions for Review

Notably, the consolidated petitions, docketed as **G.R. Nos. 232718** and 238965, relatively involve the same parties; and the *same or similar circumstances* as in G.R. Nos. 237277 and 237317; while **G.R. No. 256753** is an offshoot of G.R. No. 232718.

II. G.R. No. 232718

In particular, Gilbuena, *et al.*, in **G.R. No. 232718** were membersowners of Asiapro assigned as production helpers at Alaska's Laguna Plant pursuant to a Joint Operating Agreement between Alaska and Asiapro.<sup>46</sup> They alleged that after the expiration of their respective contracts, they were no longer allowed to report for work at the Laguna Plant<sup>47</sup> which prompted their filing of complaints for illegal dismissal, regularization, and other monetary claims with the LA.<sup>48</sup>

The LA rendered judgment in favor of Gilbuena, *et al.* and ordered their reinstatement with full backwages, among others.<sup>49</sup> The NLRC, in turn, affirmed the LA Decision *in toto* and ruled that: *first*, Asiapro was engaged in labor-only contracting, which means that Alaska was the true employer of Gilbuena, *et al.*; and *second*, Gilbuena, *et al.*, had been illegally dismissed from their employment in view of Alaska's failure to discharge its burden of proving a just or authorized cause for their termination from work.<sup>50</sup>

However, the CA, in the Decision<sup>51</sup> dated May 31, 2016 in CA-G.R. SP Nos. 135845 and 135923, reversed and set aside the NLRC Decision and *dismissed* the complaints for illegal dismissal.<sup>52</sup> It found that the NLRC gravely abused its discretion when it upheld the LA Decision without stating any factual or legal basis to support the ruling therein.<sup>53</sup>

 $^{51}$  Id. at 449-4

<sup>&</sup>lt;sup>46</sup> *Rollo* (G.R. No. 232718), p. 193.

<sup>&</sup>lt;sup>47</sup> Id. at 168.

<sup>&</sup>lt;sup>48</sup> Id. at 167.

<sup>&</sup>lt;sup>49</sup> Id. at 451-452.

 <sup>&</sup>lt;sup>50</sup> Id. at 452-453.
 <sup>51</sup> Id. at 449-466.

<sup>&</sup>lt;sup>53</sup> Id. at 464.

<sup>10.</sup> ut 101.

Moreover, the CA held that Asiapro was a legitimate independent contractor considering its substantial capital, nationwide operations, clientele, and its registration with both the Cooperative Development Authority and the DOLE.<sup>54</sup> It also pointed out that Asiapro was the real employer of all its members-owners; it cited the Court's categorical declaration in the 2007 case of *Rep. of the Phils. v. Asiapro Cooperative*<sup>55</sup> (*Asiapro Cooperative*) involving the same issue.

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The dispositive portion of the CA Decision reads:

WHEREFORE, premises considered, the petitions for *Certiorari* in CA-G.R. SP No. 135845 and CA-G.R. SP No. 135923 are hereby GRANTED.

Accordingly, the *Decision dated 30 January 2014* in NLRC Case No. RAB1V-07-01146-12-L, NLRC Case No. RAB1V-07-01149-12-L, NLRC Case No. RAB1V-08-01157-12-L and NLRC LAC No. 09-002655-13 rendered by public respondent NLRC are REVERSED and SET ASIDE.

Consequently, the private respondents' complaints for illegal dismissal, regularization, non-payment of salaries, service incentive leave pay, 13<sup>th</sup> month pay, damages and attorney's fees are ordered DISMISSED.

SO ORDERED.<sup>56</sup> (Emphasis omitted; italics in the original)

III. G.R. No. 256753

In **G.R. No. 256753**, adopting the same set of facts in G.R. No. 232718, Alaska assails the Decision<sup>57</sup> dated September 14, 2020 and Resolution<sup>58</sup> dated June 7, 2021 of the CA in **CA-G.R. SP No. 155059**. The Court summarizes Alaska's contentions in this wise:

On April 30, 2013, the LA rendered a Decision<sup>59</sup> in favor of Gilbuena, *et al.*, the dispositive portion of which reads:

Wherefore, premises considered, judgment is hereby rendered

<sup>&</sup>lt;sup>54</sup> Id. at 458.

<sup>&</sup>lt;sup>55</sup> 563 Phil. 979 (2007)

<sup>&</sup>lt;sup>56</sup> *Rollo* (G.R. No. 232718), pp. 464-465.

<sup>&</sup>lt;sup>57</sup> Rollo (G.R. No. 256753), pp. 243-264.

<sup>&</sup>lt;sup>58</sup> Id. at 266-267.

<sup>&</sup>lt;sup>59</sup> Id at 75-82.

(excepting Complainants Alfonso A. Suarez and Ferdinand Basilio who executed their Quitclaim and Release) the rest of Complainants to have been illegally dismissed. Respondents Alaska Milk Corp. and Asiapro Cooperative are directed to reinstate complainants to their former position without loss of seniority rights and privileges and to pay full [backwages] from date of dismissal until actual reinstatement. Further, to pay the Complainants the following computation shown as Annex "A"[.]

- 1. Full [backwages] from date of dismissal until actual payment to date amounts to [₱]832,293.00
- Service incentive leave [₱]42,714.75 2.
- 13th month pay [₱]227,549.14 3.
- 10% of all sums owing to complainant as attorney's fees, or the 4. sum of [P]110,235.65[.]

SO ORDERED[].60

Both Alaska and Asiapro filed their separate appeals from the LA Decision to the NLRC.<sup>61</sup>

On January 30, 2014, the NLRC rendered a Decision<sup>62</sup> denying the appeals and affirming the LA's Decision.<sup>63</sup>

Again, Alaska and Asiapro filed their separate motions for reconsideration, but the NLRC denied both for lack of merit in the NLRC Resolution<sup>64</sup> dated April 23, 2014. Consequently, an Entry of Judgment was issued on August 27, 2014 certifying that the Resolution dated April 23, 2014 had already become final and executory on May 9, 2014.65

Meanwhile, Alaska and Asiapro filed their separate Petitions for Certiorari (with Prayer for Temporary Restraining Order and/or Preliminary Injunction) before the CA docketed as CA-G.R. SP Nos. 135845 and 135923, respectively. The petitions were consolidated.<sup>66</sup>

Pending resolution of the petitions, and in the absence of any restraining or injunctive order issued by any court or tribunal, the LA

<sup>60</sup> Id. at 80.

<sup>61</sup> Id. at 245.

<sup>62</sup> Id. at 89-102. Penned by Commissioner Dolores M. Peralta-Beley and concurred in by Presiding Commissioner Grace E. Maniquiz-Tan and Commissioner Mercedes R. Posada-Lacap. 63 Id. at 245.

<sup>64</sup> 

Id. at 123-132. 65 Id. at 246.

<sup>66</sup> 

Id.

issued a Writ of Execution on October 8, 2014 directing the Sheriff to cause the reinstatement of Gilbuena, et al., and to collect their accrued salaries covering the period of April 30, 2013 to September 30, 2014 in the amount of ₱1,489,540.00.<sup>67</sup> Per Sheriff's Progress Report dated January 22, 2015, he garnished the amount of ₱1,503,935.40 from Asiapro's bank account.<sup>68</sup> Consequently, the same amount was released in favor of Gilbuena, et al. through an Order dated April 13, 2015.69

The CA granted the consolidated petitions of Alaska and Asiapro in the Decision<sup>70</sup> dated May 31, 2016; thus:

WHEREFORE, premises considered, the petitions for Certiorari in CA-G.R. SP No. 135845 and CA-G.R. SP No. 135923 are hereby GRANTED.

Accordingly, the Decision dated 30 January 2014 in NLRC Case No. RAB IV-07-01146-12-L, NLRC Case No. RAB IV-07-01149-12-L, NLRC Case No. RAB IV-08-01157-12-L and NLRC LAC No. 09-002655-13 rendered by public respondent NLRC are REVERSED and SET ASIDE.

Consequently, the private respondents' complaints for illegal dismissal, regularization, non-payment of salaries, service incentive leave pay, 13<sup>th</sup> month pay, damages and attorney's fees are ordered DISMISSED.

SO ORDERED.<sup>71</sup> (Emphasis omitted; italics in the original)

Gilbuena, et al. filed Motions: for Oral Argument and For Reconsideration<sup>72</sup> which the CA denied in the Resolution<sup>73</sup> dated June 28, 2017.

In the meantime, Gilbuena, et al. then filed a Motion for Issuance of an Order for the Continuance of Execution on the Accrued Salaries of Herein Complainant dated September 30, 2016 before the NLRC. They alleged that they are entitled to their accrued salaries from October 1, 2014 to May 14, 2016 because the garnished amount released to them by virtue of the Writ of Execution dated October 8, 2014 represented only the total

<sup>67</sup> Id. at 246.

<sup>68</sup> Id. at 246-247.

<sup>&</sup>lt;sup>69</sup> Id. at 71-72.

<sup>70</sup> Id. at 173-190.

<sup>71</sup> Id. at 188-189.

<sup>&</sup>lt;sup>72</sup> Id. at 191-213.
<sup>73</sup> Id at 214-217.

accrued salaries computed as of September 30, 2014. Further, Gilbuena, *et al.* contended that Alaska and Asiapro failed to comply with the order of reinstatement of the LA.<sup>74</sup>

On September 20, 2017, the LA issued an Order granting the motion for the continuance of execution for the payment of accrued salaries of Gilbuena, *et al.* against Alaska and/or Asiapro. Consequently, on October 5, 2017, the LA issued an Alias Writ of Execution<sup>75</sup> directing the Sheriff to collect from Alaska and Asiapro the total amount of P2,214,934.41representing Gilbuena, *et al.*'s accrued salaries from October 1, 2014 up to May 14, 2016.<sup>76</sup>

Alaska filed a Motion to Quash<sup>77</sup> (the Alias Writ of Execution) before the LA alleging that the latter had no authority to issue the Alias Writ because the NLRC decision in favor of Gilbuena, *et al.* was reversed by the CA.<sup>78</sup> On the other hand, Asiapro filed a Petition for Extraordinary Remedies (with Urgent Application for Issuance of An Ex Parte Temporary Restraining Order and a Writ of Preliminary Injunction) before the NLRC.<sup>79</sup>

On November 17, 2017, the NLRC rendered a Decision<sup>80</sup> granting Asiapro's petition. It held that the enforcement of the writ of execution for the accrued salaries should be automatically suspended considering that the CA reversed the NLRC Decision dated January 30, 2014; thus:

WHEREFORE, from the foregoing, the instant Petition for Relief and Extraordinary Remedies is GRANTED. Accordingly, the Alias Writ of Execution dated 5 October 2017 is NULLIFIED.

SO ORDERED.<sup>81</sup> (Emphasis omitted)

Gilbuena, *et al.* filed a Motion for Reconsideration<sup>82</sup> which the NLRC subsequently denied in a Resolution<sup>83</sup> dated January 18, 2018. Hence, the Petition for *Certiorari* before the CA.

<sup>&</sup>lt;sup>74</sup> Id. at 248.

<sup>&</sup>lt;sup>75</sup> Id. at 70-74.

<sup>&</sup>lt;sup>76</sup> Id. at 248.

<sup>&</sup>lt;sup>77</sup> Id. at 858-863.

<sup>&</sup>lt;sup>78</sup> Id. at 248.

<sup>&</sup>lt;sup>79</sup> Id. at 248-249.

<sup>&</sup>lt;sup>80</sup> Id. at 219-227. Penned by Commissioner Cecilio Alejandro C. Villanueva and concurred in by Presiding Commissioner Alex A. Lopez and Commissioner Pablo C. Espiritu, Jr.

<sup>&</sup>lt;sup>81</sup> Id. at 226.

<sup>&</sup>lt;sup>82</sup> Id. at 228-235.

<sup>&</sup>lt;sup>83</sup> Id at 237-241.

On September 14, 2020, the CA rendered the assailed Decision<sup>84</sup> granting Gilbuena, *et al.*'s petition:

FOR THESE REASONS, the instant petition is hereby GRANTED. The assailed Decision and Resolution dated 17 November 2017 and 18 January 2018, respectively, rendered by the Third Division of the National Labor Relations Commission (NLRC) in NLRC LER No. 10-244-17, NLRC LAC No. 09-002655-13 (NLRC Case No. RAB IV-07-01146-12-L, NLRC Case No. RAB IV-07-01149-12-L, and NLRC Case No. RAB IV-07-01157-12-L) are ANNULLED and SET ASIDE.

The records of this case are ordered REMANDED to the Office of the Labor Arbiter for the correct computation of the petitioners' remaining accrued salaries covering 01 October 2014 up to the issuance of the Court of Appeals (Sixteenth Division) Resolution on 28 June 2017. Petitioners are ordered to make the proper restitution to respondents for whatever excess amount which may be determined to have been received by them based on the correct computation.

SO ORDERED.<sup>85</sup> (Emphasis omitted)

Alaska and Asiapro filed a Motion for Reconsideration which the CA denied in its assailed Resolution<sup>86</sup> dated June 7, 2021.

IV. G.R. No. 238965

In **G.R. No. 238965**, Rosales, *et al.*, who used to be members of Asiapro, transferred to 5S Manpower in 2013 and were subsequently assigned to work as production helpers at Alaska's Laguna Plant also by virtue of a Joint Operating Agreement, this time between Alaska and 5S Manpower.<sup>87</sup> They alleged, among others, that 5S Manpower unlawfully dismissed them when they were no longer given any work schedule on January 23, 2015.<sup>88</sup> Consequently, they filed two complaints for illegal dismissal, regularization, and other monetary claims against Alaska, Asiapro, and 5S Manpower with the LA.<sup>89</sup>

<sup>&</sup>lt;sup>84</sup> Id. at 243-264

<sup>&</sup>lt;sup>85</sup> Id. at 263.

<sup>&</sup>lt;sup>86</sup> Id. at 266-267.

<sup>&</sup>lt;sup>87</sup> Rollo (G.R. No. 238965), pp. 941-944.

<sup>&</sup>lt;sup>88</sup> Id. at 941-944 and 959.

<sup>&</sup>lt;sup>89</sup> Id. at 940-941.

The LA ruled that 5S Manpower, being a legitimate job contractor, was the real employer of Rosales, *et al.*, and declared it guilty of illegal dismissal as there was no showing that the latter were given due process before they were terminated from work, *i.e.*, there was no notice to explain and no investigation was conducted.<sup>90</sup>

On appeal, the NLRC reversed the LA's findings of illegal dismissal in view of the failure of Rosales, *et al.*, to refute the allegations that: (a) they abandoned their work posts before their shifts ended; and (b) they failed to submit a written explanation as regards the incident. Thus, the NLRC deleted the award of backwages and ordered the reinstatement of Rosales, *et al.*, but it awarded service incentive leave pay, 13<sup>th</sup> month pay, and attorney's fees in their favor,<sup>91</sup> *viz.*:

WHEREFORE, the appeal filed by the complainants is hereby PARTIALLY GRANTED.

The Decision of the Office of the Labor Arbiter dated 31 March 2016 is hereby MODIFIED. The Commission hereby directs 5S to immediately place complainants back into their work pool. At the same time, We rule that:

(1) Alaska Milk Corporation and 5S Manpower are hereby held jointly and solidarily liable to pay complainants their service incentive leave pay equivalent to five (5) days salary per year of service, computed from the time of attainment of one year of service, whether continuous or broken, until they are reinstated. As computed, the following complainants are entitled to the following amounts:

a) Edward Mindo	= [₱]2,208.75
b) Juan Cris Marco	= [₱]2,078.17
c) For the rest of the complainants	= [₱]2,906.62

- (2) Alaska Milk Corporation and 5S Manpower are also jointly and solidarily held liable to pay all complainants their proportionate 13<sup>th</sup> month pay, each in the amount of One Hundred Thirty Six Pesos and 28/100 ([₱]136.28) covering the period of December 2014 to January 2015; and
- (3) 5S Manpower is further held liable for the payment of attorney's fees, equivalent to ten percent (10%) of the

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<sup>&</sup>lt;sup>90</sup> Id. at 947-948.

<sup>&</sup>lt;sup>91</sup> Id. at 948-949.

total monetary award adjudged herein.

Other portions of the Decision not affected by this modification STAND.

SO ORDERED.<sup>92</sup> (Emphasis omitted)

When the case was elevated before the CA via a certiorari petition, the appellate court, in the Decision dated December 1, 2017 in CA-G.R. SP No. 151550, found no grave abuse of discretion on the part of the NLRC in reversing the LA's findings of illegal dismissal.<sup>93</sup> The CA ruled that: *First*, Asiapro and 5S Manpower were legitimate job contractors;<sup>94</sup> Second, Rosales, et al., were regular employees of 5S Manpower given that the latter exercised direct control and supervision over the former's work performance and it had the authority to dismiss them from work, among others; *Third*, 5S Manpower was not guilty of illegal dismissal as it merely temporarily disallowed Rosales, et al., from returning to work pending investigation of the incident during which they abandoned their posts before their work shifts ended.<sup>95</sup>

Their Motions for Reconsideration having been denied, Gilbuena, *et al.*, and Rosales, *et al.*, filed their respective petitions, docketed as G.R. No. 232718 and G.R. No. 238965, assailing the CA Decisions and Resolutions in CA-G.R. SP Nos. 135845 and 135923 and CA-G.R. SP No. 151550, respectively.

Hence, the consolidated cases.

The Issues

The issues for the Court's resolution are:

In G.R. Nos. 237277 and 237317 (on the Motions for Reconsideration) –

<sup>&</sup>lt;sup>92</sup> Id. at 839-840.

<sup>&</sup>lt;sup>93</sup> Id. at 962.

<sup>&</sup>lt;sup>94</sup> Id. at 951-957.

<sup>&</sup>lt;sup>95</sup> Id. at 959-960.

- 1) Whether 5S Manpower is a legitimate job contractor;
- 2) Whether Bate, Combite, and Oliver were illegally dismissed from their employment;
- 3) Whether Asiapro is a legitimate job contractor; and
- 4) Whether Paez and Medrano were illegally dismissed from their employment by Asiapro.

In G.R. No. 232718-

- 1) Whether Asiapro is a legitimate job contractor and the real employer of Gilbuena, *et al.*;
- 2) Whether there was an employer-employee relationship between Alaska and Gilbuena, *et al.*; and
- 3) Whether Gilbuena, *et al.* were illegally dismissed from their employment.

In G.R. No. 256753 –

Whether the CA erred in ruling that the execution of LA's order of reinstatement has not been suspended considering that the CA reversed the NLRC Decision dated January 30, 2014 and Resolution dated April 23, 2014 affirming the LA.

In G.R. No. 238965 –

- 1) Whether Asiapro and 5S Manpower are legitimate job contractors;
- 2) Whether there was an employer-employee relationship between Alaska and Rosales, *et al.*; and
- 3) Whether Rosales, *et al.* were illegally dismissed from their employment.

G.R. Nos. 237277, 237317, 232718, 238965, and 256753

### The Court's Ruling

In G.R. Nos. 237277 and 237317 (on the Motions for Reconsideration) –

At the outset, the Court denies the Motion for Partial Reconsideration<sup>96</sup> filed by Alaska and the Motion for Reconsideration filed by Paez, *et al.* for lack of merit. The arguments raised in both motions are a mere rehash of the issues that the parties raised in their respective pleadings which have already been passed upon and resolved by the Court in the Decision dated November 27, 2019 in G.R. Nos. 237277 and 237317.

To reiterate, the Court, in the assailed Decision, ruled as follows:

*First*, Asiapro is a legitimate job contractor given its substantial capital, its legal existence as early as 1999, and its clientele including, among others, Stanfilco, Del Monte Philippines, and Dole Asia. In fact, Asiapro's list of top accounts in billings for the year 2013 shows that Alaska was only the cooperative's third largest client. Moreover, it was established that Asiapro had controlled the means and methods by which Paez and Medrano performed their work at Alaska's Laguna Plant.<sup>97</sup>

Second, in contrast, 5S Manpower is deemed engaged in labor-only contracting considering its failure to prove that it possessed substantial capitalization or investments in the form of tools, equipment and/or machineries, among others, to facilitate the work performance of Bate, Combite, and Oliver, in the Laguna Plant. In this regard, the mere fact that 5S Manpower had total assets amounting to P8,373,044.00, without any manifestation that such assets were actually investments relating to the job, work or service to be performed, is insufficient to prove that it was a legitimate job contractor.<sup>98</sup>

Moreover, unlike Asiapro, 5S Manpower was only registered as a cooperative in 2011 and even then, it only had five regular employees and

<sup>&</sup>lt;sup>96</sup> Rollo (G.R. No. 237277), pp. 940-954.

<sup>&</sup>lt;sup>97</sup> Id. at 794, 800-801.

<sup>98</sup> Id. at 798.

no other clients aside from Alaska. Under these dire circumstances, 5S Manpower simply cannot be considered to have the ability to carry on its own independent business.<sup>99</sup>

*Third*, it is undisputed that Bate, Combite, and Oliver, were terminated from their employment in Alaska due to the expiration of their respective contracts with 5S Manpower through which they were assigned to render services at the Laguna Plant. However, given the finding that 5S Manpower is a mere labor-only contractor, they are, by fiction of law, considered as Alaska's regular employees. As such, absent any clear showing of an authorized or lawful cause for their termination from work, Bate, Combite, and Oliver, are found to have been illegally dismissed, thus entitling them to reinstatement without loss of seniority rights, in addition to the payment of their full backwages and other monetary benefits pursuant to Article 294 [formerly Article 279] of the Labor Code.<sup>100</sup>

*Fourth*, as for Medrano and Paez, they cannot be considered to have been illegally dismissed by Asiapro, their real employer. In fact, there was no dismissal to begin with. After their respective contracts expired, they refused to report to Asiapro for reassignment to another client-principal.<sup>101</sup>

On this point, the Court stresses its ruling in the case of *Asiapro Cooperative* wherein it categorically declared Asiapro's status as a legitimate job contractor and recognized the existence of an employeremployee relationship between the cooperative and its members-owners such as Medrano and Paez.

All things considered, the two Motions for Reconsideration must be denied with finality for having failed to raise any new or substantial ground as to warrant the reversal of the Court's findings and conclusions in the assailed Decision.

The Court now resolves the petitions in G.R. Nos. 232718, 238965, and 256753 taking into serious consideration its earlier ruling in the assailed Decision in G.R. Nos. 237277 and 237317.

Before all else, only questions of law may be raised in a petition for

<sup>99</sup> Id. at 801.

<sup>&</sup>lt;sup>100</sup> Id.

<sup>&</sup>lt;sup>101</sup> Id. at 801-802.

review on *certiorari* under Rule 45 of the Rules of Court.<sup>102</sup> As a general rule, the Court is not a trier of facts. Specifically, in labor cases, questions of fact are contextually for the labor tribunals to resolve, and their factual findings, when supported by substantial evidence, are accorded respect and even finality by the Court.<sup>103</sup>

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However, the rule that only questions of law may be raised in a petition for review on certiorari under Rule 45 of the Rules of Court is not without exceptions.

The Court in Carino v. Maine Marine Phils., Inc., 104 ruled:

As a rule, "[i]n appeals by *certiorari* under Rule 45 of the Rules of Court, the task of the Court is generally to review only errors of law since it is not a trier of facts, a rule which definitely applies to labor cases." As the Court ruled in *Scanmar Maritime Services, Inc. v. Conag*: "But while the NLRC and the LA are imbued with expertise and authority to resolve factual issues, the Court has in exceptional cases delved into them where there is insufficient evidence to support their findings, or too much is deduced from the bare facts submitted by the parties, or the LA and the NLRC came up with conflicting findings x x x."<sup>105</sup>

Equally important, "in a Rule 45 review in labor cases, the Court examines the CA's Decision from the prism of whether, [in a petition for *certiorari*,] the latter had correctly determined the presence or absence of grave abuse of discretion in the NLRC's Decision."<sup>106</sup>

There is grave abuse of discretion on the part of the NLRC when its findings and conclusions are not supported by substantial evidence, *i.e.*, that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion.<sup>107</sup> Such grave abuse of discretion on the part of the NLRC warrants the grant of the extraordinary remedy of *certiorari*.<sup>108</sup>

<sup>&</sup>lt;sup>102</sup> Rules of Court, Rule 45, Section 1.

<sup>&</sup>lt;sup>103</sup> Distribution & Control Products/Tiamsic, Inc. v. Santos, 813 Phil. 423, 435 (2017), citing South Cotabato Communications Corp. v. Hon. Santo Tomas, 787 Phil. 494, 505 (2016).

<sup>&</sup>lt;sup>104</sup> 842 Phil. 487 (2018).

<sup>&</sup>lt;sup>105</sup> Id. at 496.

 <sup>&</sup>lt;sup>106</sup> Slord Development Corporation v. Noya, 846 Phil. 380, 391 (2019). See also Maricalum Mining Corp. v. Florentino, 836 Phil. 655, 677 (2018).

<sup>&</sup>lt;sup>107</sup> Ace Navigation Company v. Garcia, 760 Phil. 924, 932 (2015).

<sup>108</sup> Id.

In the present case, the Court finds that a review of the conflicting factual findings of the labor tribunals and the CA is warranted.

### G.R. No. 232718

To recall, Gilbuena, *et al.* in G.R. No. 232718 assail the CA Decision dated May 31, 2016, and Resolution dated June 28, 2017, in CA-G.R. SP Nos. 135845 and 135923 which reversed and set aside the Decisions of the LA and the NLRC and dismissed their complaints for illegal dismissal. They insist that Asiapro is a mere labor-only contractor and that they should be deemed as regular employees of Alaska, the principal. As such, they argue that they were illegally dismissed by Alaska when they were no longer allowed to report back to work after the expiration of their respective contracts.<sup>109</sup>

After a careful review, the Court denies the petition in G.R. No. 232718 for lack of merit. Consistent with the Court's ruling in the assailed Decision in G.R. Nos. 237277 and 237317, the CA correctly held that: *First*, Asiapro is a legitimate job contractor and not a mere agent of Alaska; and *Second*, it was the real employer of Gilbuena, *et al.* in accordance with the Court's ruling in *Asiapro Cooperative*.

It is clear that Gilbuena, *et al.* are in the same situation as Medrano and Paez in G.R. Nos. 237277 and 237317, whose respective contracts assigning them to Alaska's Laguna Plant had already expired. Under the circumstances, Gilbuena, *et al.*, cannot be deemed to have been illegally dismissed from their employment.

G.R. No. 256753

In this case, Alaska argues that the execution proceedings have been suspended when the CA reversed the NLRC Decision dated January 30, 2014 and Resolution dated April 23, 2014, pursuant to Section 17, Rule XI of the NLRC Rules,<sup>110</sup> which reads:

Section 17. EFFECT OF REVERSAL DURING EXECUTION PROCEEDINGS. — In case of total or partial reversal of judgment by the Court of Appeals, the execution proceedings shall be suspended insofar as the reversal is concerned notwithstanding the pendency of a

<sup>&</sup>lt;sup>109</sup> Rollo (G.R. No. 232718), pp. 42-44.

<sup>110</sup> Rollo (G.R. No. 256753), p. 15.

motion for reconsideration on such judgment.

In other words, for Alaska, the above-mentioned provision mandates the automatic suspension of the execution proceedings upon the CA's reversal of the NLRC Decision affirming the LA's order of reinstatement of Gilbuena, *et al*.

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The Court disagrees.

The immediate execution pending appeal of the LA's order of reinstatement is expressly mandated by Article 229, paragraph 3 of the Labor Code, as amended, which reads:

ART. 229 [223]. Appeal. x x x

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In any event, the decision of the Labor Arbiter reinstating a dismissed or separated employee, insofar as the reinstatement aspect is concerned, shall immediately be executory, even pending appeal. The employee shall either be admitted back to work under the same terms and conditions prevailing prior to his dismissal or separation or, at the option of the employer, merely reinstated in the payroll. The posting of the bond by the employer shall not stay the execution for reinstatement provided herein.

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Furthermore, in *Roquero v. Philippine Airlines*<sup>111</sup> (*Roquero*), the Court ruled that even if the order of reinstatement of the LA is reversed on appeal, it is obligatory on the part of the employer to reinstate and pay the wages of the dismissed employee during the period of appeal until reversal by the higher court.<sup>112</sup> In the more recent case of *Garcia v. Phil. Airlines, Inc.*,<sup>113</sup> the Court, applying *Roquero*, ruled that a "dismissed employee whose case was favorably decided by the [LA] is entitled to receive wages pending appeal upon reinstatement, which is immediately executory."<sup>114</sup> "Unless there is a restraining order, it is ministerial upon the LA to implement the order of reinstatement and it is mandatory on the

<sup>&</sup>lt;sup>111</sup> 449 Phil. 437 (2003).

<sup>&</sup>lt;sup>112</sup> Id. at 446.

<sup>&</sup>lt;sup>113</sup> 596 Phil. 510 (2009).

<sup>&</sup>lt;sup>114</sup> Id. at 536.

employer to comply therewith."115

Simply put, the LA's "order of reinstatement is immediately executory and the employer has to either re-admit the employees to work under the same terms and conditions prevailing prior to their dismissal, or to reinstate them in the payroll; and failure to exercise these options in the alternative, the employer must pay the employee's accrued salaries."116

As found by the CA, the records were bereft of substantial evidence to support Alaska and Asiapro's assertion that they exerted efforts to actually reinstate Gilbuena, et al., or, at the very least, to reinstate them in the payroll in compliance with the LA's Decision dated April 30, 2013. At most, Alaska and Asiapro relied heavily on their bare assertion that Gilbuena, et al. refused to report or return to work without presenting an actual return-to-work directive or order, or any other evidence to support their allegation.<sup>117</sup>

Notably, Alaska and Asiapro failed to prove that there was a clear intent on their part to reinstate Gilbuena, et al. to their former positions under the same terms and conditions, or to a substantially equivalent position in accordance with Article 229 of the Labor Code, as amended,<sup>118</sup> thus:

x x x [F]rom the time the NLRC (Fifth Division) affirmed Labor Arbiter Bisana's order of reinstatement up until the issuance of the Decision and Resolution of the Court of Appeals (Sixteenth Division) reversing and setting aside the NLRC ruling, [Alaska and Asiapro] still failed to reinstate [Gilbuena, et al.] - whether it be actual or payroll reinstatement. Such circumstance was what actually prompted [Gilbuena, et al.] to file a Motion for Issuance of an Order for the Continuance of Execution on the Accrued Salaries of Herein Complainant. It cannot therefore be denied that there is not only an actual delay in the execution of the reinstatement aspect of the Decision of Labor Arbiter Bisana prior to the issuance of the Court of Appeals (Sixteenth Division) Resolution overturning the same, but there is likewise inaction or omission on the part of the [Alaska and Asiapro] to reinstate [Gilbuena, et al.].<sup>119</sup> (Italics omitted)

115 Id.

<sup>&</sup>lt;sup>116</sup> Id. at 540, citing Kimberly Clark (Phils.), Inc. v. Facundo, G.R. No. 144885 (Notice), July 12, 2006. <sup>117</sup> Rollo (G.R. No. 256753), p. 259.

<sup>118</sup> Id.

<sup>119</sup> Id. at 259-260.

For failure of Alaska and Asiapro to reinstate Gilbuena, *et al.* pursuant to the LA's order of reinstatement, the Alias Writ of Execution, Gilbuena, *et al.* accrued salaries from October 1, 2014 to May 14, 2016 in the total amount of P2,214,934.41. However, as correctly ruled by the CA, for the computation of the accrued salaries, the period should be from October 1, 2014 until June 28, 2017, or the date of the CA Resolution overturning the NLRC Resolution, thus:

It is undisputed that [Gilbuena, *et al.*] were able to receive their accrued salaries in the amount of  $\mathbb{P}1,489,540.00$  covering the period of 30 April 2013 to 30 September 2014 through the Writ of Execution dated 08 October 2014 issued by Labor Arbiter Bisana. As [Gilbuena, *et al.*] already received the amount of  $\mathbb{P}1,503,935.40$  based on the Sheriff's Progress Report dated 22 January 2015, [Gilbuena, *et al.*] are still entitled to receive the rest of their accrued salaries covering the period of 01 October 2014 until 28 June 2017 or the date of the resolution of the Court of Appeals (Sixteenth Division) overturning the NLRC Resolution which affirmed Labor Arbiter Bisana's order of reinstatement and not until 14 May 2016, as previously ruled by Labor Arbiter Castill[o]n.

However, since there was no showing when [Gilbuena, *et al.*] actually received a copy of Labor Arbiter Bisana's decision and they have already received the amount of P1,503,935.40, [Gilbuena, *et al.*] are ordered to make the proper restitution to [Alaska and Asiapro] for whatever excess amount received by them based on the correct computation.<sup>120</sup>

### G.R. No. 238965

Meanwhile, Rosales, *et al.*, in G.R. No. 238965 challenge the Decision dated December 1, 2017, and the Resolution dated April 4, 2018, of the CA in CA-G.R. SP No. 151550 which found both Asiapro and 5S Manpower to be legitimate job contractors and declared 5S Manpower not guilty of illegal dismissal. They assert that they were regular employees of Alaska considering that Asiapro and 5S Manpower are both mere labor-only contractors. Thus, they contend that they were illegally dismissed from their employment when they were no longer given any work schedule on January 23, 2015.<sup>121</sup>

In the assailed Decision in G.R. Nos. 237277 and 237317, the Court categorically ruled that 5S Manpower had failed to register in accordance

<sup>&</sup>lt;sup>120</sup> Id. at 262-263.

<sup>&</sup>lt;sup>121</sup> Rollo (G.R. No. 238965), p. 767.

with the exact tenor of the pertinent DOLE rules. This means that contrary to the CA's findings, 5S Manpower's certificates of registration do not hold any probative value in the determination of its status as a legitimate job contractor.

Moreover, as earlier discussed, the Court held that 5S Manpower was unable to prove that it possessed substantial capital or investments that would have allowed it to operate as a legitimate independent contractor. It also pointed out that 5S Manpower's total assets, regardless of its actual amount, are insufficient to prove that the cooperative is engaged in valid job contracting in the absence of any manifestation that the assets are actually investments pertaining to the job, work, or service to be performed.

Thus, on this point, the CA clearly committed a serious error when it held that 5S Manpower is a legitimate job contractor mainly on the basis of its certificates of registration and financial statements showing its total assets amounting to ₱19,838,172.00.<sup>122</sup>

Simply put, Rosales, *et al.* are in similar footing with Bate, Combite, and Oliver, in G.R. Nos. 237277 and 237317 in that they, too, are deemed, by fiction of law, as regular employees of Alaska on account of the finding that 5S Manpower is engaged in labor-only contracting.

This notwithstanding, the Court is constrained to agree with the CA that Rosales, *et al.* had failed to establish their claim of illegal dismissal. As the CA aptly noted, they themselves admitted that they committed an act of insubordination when they abandoned their posts before the end of their work shifts, in utter disregard of the instruction of their superiors to stay until 2:00 p.m. on January 22, 2015 as Alaska's top management officials were going to conduct a plant visit on that day.<sup>123</sup> This resulted in the temporary suspension of Rosales, *et al.* from work pending investigation of the incident.

Indeed, in illegal dismissal cases, employees should first establish by competent evidence the fact of their dismissal from employment. "It is an age-old rule that the one who alleges a fact has the burden of proving it and the proof should be clear, positive and convincing."<sup>124</sup> Given that

<sup>&</sup>lt;sup>122</sup> Id. at 954.

<sup>&</sup>lt;sup>123</sup> Id. at 959-960.

<sup>&</sup>lt;sup>124</sup> Noblejas v. Italian Maritime Academy Phils., Inc., 735 Phil. 713, 721 (2014), citing Machica v.

Rosales, *et al.* had failed to satisfactorily establish the fact of their dismissal, the appropriate course of action is to *reinstate* them to their former positions, or the equivalents thereof, with Alaska *without payment of backwages* in accordance with prevailing jurisprudence.<sup>125</sup>

# WHEREFORE, the Court **RESOLVES** as follows:

- 1. The Motion for Partial Reconsideration and the Motion for Reconsideration of the Decision dated November 27, 2019, in G.R. Nos. 237277 and 237317 are **DENIED** with finality;
- The Petition for Review with Manifestation in G.R. No. 232718 is **DENIED** and the Decision dated May 31, 2016, and the Resolution dated June 28, 2017, of the Court of Appeals in CA-G.R. SP Nos. 135845 and 135923 are **AFFIRMED**;
- 3. The Petition for Review with Motion to Consolidate in G.R. No. 238965 is PARTIALLY GRANTED. The Decision dated December 1, 2017, and the Resolution dated April 4, 2018, of the Court of Appeals in CA-G.R. SP No. 151550 are AFFIRMED with **MODIFICATION**. Respondent Milk Alaska Corporation is hereby **ORDERED** to reinstate petitioners Joel J. Rosales, Mark James P. Regulto, Edward S. Mindo, Mhark Anthony O. Bolima, Jerome M. Rodriguez, Edgardo R. Fortes, Jr., Nelson A. Matas, Arnold M. Quinia, Gabby P. Grafil, Redel V. Apilan, Joelan P. Regalia, and Juan Cris M. Marco to their former positions, or the equivalents thereof, without the payment of backwages; and
- 4. The Petition for Review in G.R. No. 256753 is **DENIED**. The Decision dated September 14, 2020, and Resolution dated June 7, 2021, of the Court of Appeals in CA-G.R. SP No. 155059 are **AFFIRMED**.

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Roosevelt Services Center, Inc. and/or Dizon, 523 Phil, 199, 209-210 (2006). See Doctor v. NII Enterprises, 821 Phil, 251, 269 (2017).

SO ORDERED.

L B. INTING **HEN** Associate Justice

WE CONCUR:

RODI DA Associate Justice

SAMUEL H. GAER AN Associate Justice

ΕZ JHOS Associate Justice

R B. DIMAAMPAO 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.

AUL B. INTING HENRÍ

Associate Justice Acting-Chairperson, Special Second Division

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G.R. Nos. 237277, 237317, 232718, 238965, and 256753

### CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Acting 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.

Thief Justice ALEXA

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