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Republic of the Philippines
Supreme Court
Manila

SUPREME COURT OF THE PHILIPPINES
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SECOND DIVISION

DANNY BOY C. MONTERONA, JOSELITO S. ALVAREZ, IGNACIO S. SAMSON, JOEY P. OCAMPO, ROLE R. DEMETRIO,[*] and ELPIDIO P. METRE, JR.,[**]
Petitioners,

G.R. No. 209116

Present:

CARPIO, *J., Chairperson,*
PERLAS-BERNABE,
CAGUIOA,
REYES, J. JR., and
HERNANDO,[****] *JJ.*

- versus -

COCA-COLA BOTTLERS PHILIPPINES, INC. and GIOVANNI ACORDA,[***]
Respondents.

Promulgated:
14 JAN 2019

x - x

DECISION

REYES, J. JR., *J.*:

Assailed in this petition for review on *certiorari* are the August 30, 2012 Decision[1] and September 3, 2013 Resolution[2] of the Court of Appeals (CA) in CA-G.R. SP No. 116519 which affirmed the June 16, 2010

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[*] Referred as Demetrio Role in some parts of the *rollo.*
[**] Also referred to as Elpedio P. Metre, Jr. in some parts of the *rollo.*
[***] Also referred to as "Giovanni Accorda" in some parts of the *rollo.*
[****] Additional Member per S.O. No. 2630 dated December 18, 2018.
[1] Penned by Associate Justice Magdangal M. De Leon, with Associate Justices Stephen C. Cruz and Myra V. Garcia-Fernandez, concurring; *rollo*, pp. 65-74.
[2] Id. at 93-94.

Decision[3] and the July 30, 2010 Resolution[4] of the National Labor Relations Commission (NLRC) in NLRC LAC No. 05-001038-10, a case for illegal dismissal.

The Antecedents

In September 2003, petitioners Danny Boy C. Monterona (Monterona), Joselito S. Alvarez (Alvarez), Ignacio S. Samson (Samson), Joey P. Ocampo (Ocampo), Role R. Demetrio (Demetrio), Elpidio P. Metre, Jr. (Metre) and their co-employees filed before the Labor Arbiter (LA) a complaint for illegal dismissal with prayer for reinstatement and payment of backwages, damages and attorney's fees (first illegal dismissal case) against respondents Coca-Cola Bottlers Philippines, Inc. (Coca-Cola) and its officer, Giovanni Acorda. They alleged that they were hired by Coca-Cola on various dates from 1986 to 2003. Coca-Cola, however, terminated their employment in August 2003.

In a Decision[5] dated August 30, 2004, the LA dismissed the complaint on the ground of lack of jurisdiction. The LA ruled that no employer-employee relationship existed between Coca-Cola and the complainants because the latter were hired by Genesis Manpower and General Services, Inc. (Genesis), a legitimate job contractor and it was Genesis which exercised control over the nature, extent and degree of work to be performed by the complainants.

On appeal, the NLRC affirmed the LA's Decision.[6] The complainants moved for reconsideration, but the same was denied by the NLRC in a Resolution[7] dated November 29, 2005.

Then, the complainants, except petitioners Monterona, Alvarez, Samson, Ocampo Demetrio and Metre, filed a petition for *certiorari* before the CA. Thereafter, Demetrio was ordered dropped from the case for failure to sign the verification and certification of non-forum shopping despite the appellate court's order.[8] In a Decision[9] dated December 11, 2006, the CA reversed the ruling of the NLRC and held that there was an employer-employee relationship between the parties. It declared that respondents failed to prove that Genesis had sufficient capital and equipment for the

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3 Penned by Presiding Commissioner Alex A. Lopez, with Commissioner Gregorio O. Bilog III, concurring; Commissioner Pablo C. Espiritu, Jr., on leave; id. at 194-203.

4 Id. at 204-206.

5 Penned by Labor Arbiter Jose G. De Vera; *rollo*, pp. 130-142.

6 Penned by Commissioner Victoriano R. Calaycay, with Presiding Commissioner Raul T. Aquino, concurring; Commissioner Angelita A. Gacutan, on leave; id. at 143-150.

7 Id. at 151-152.

8 Id. at 156-157.

9 Penned by Associate Justice Juan Q. Enriquez, Jr., with Presiding Justice Ruben T. Reyes and Associate Justice Vicente S.E. Veloso, concurring; id. at 158-166.

conduct of its business and that the complainants' jobs as route salesmen, drivers and helpers were necessary and desirable in the usual trade or business of Coca-Cola. When respondents moved for reconsideration, the CA denied the motion and further ruled that petitioners Monterona, Alvarez, Samson, Ocampo and Metre should not benefit from the decision because they were not impleaded as petitioners in the petition for *certiorari*. It likewise stated that Demetrio was dropped from the case for not having signed the verification and certification of non-forum shopping, and thus, should not also benefit from the Decision.[10]

Thereafter, respondents filed a petition for review with the Supreme Court but it was denied for being the wrong mode of appeal and for failure to show any reversible error in the assailed Decision.[11] The Resolution denying the appeal became final and executory on July 28, 2008.[12]

Subsequently, on July 14, 2009, petitioners filed before the LA a complaint for illegal dismissal with prayer for reinstatement, payment of backwages, separation pay, service incentive leave pay, 13th month pay, damages and attorney's fees (second illegal dismissal case) against respondents.

The LA Ruling

In an Order[13] dated February 16, 2010, the LA dismissed the complaint on the ground of prescription and *res judicata*. The LA found that Monterona was dismissed from service in May 2002, Metre in February 2003, and Alvarez, Samson, Ocampo and Demetrio in August 2003; thus, four years had elapsed when they filed the case in July 2009. The LA further opined that the second complaint for illegal dismissal and other monetary claims could no longer be entertained on the ground of *res judicata* considering that the first illegal dismissal case had long attained finality. It disposed the case in this wise:

> WHEREFORE, premises considered, the Motion to Dismiss is granted. The instant Complaint is hereby dismissed with prejudice.
>
> SO ORDERED.[14]

Aggrieved, petitioners elevated an appeal to the NLRC.

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10 Id. at 167-170.
11 Id. at 171-172.
12 Id. at 174.
13 Penned by Executive Labor Arbiter Fatima Jambaro Franco; id. at 183-191.
14 Id. at 191.

The NLRC Ruling

In a Decision dated June 16, 2010, the NLRC affirmed the ruling of the LA but only on the ground of *res judicata*. It held that petitioners were among the original complainants in the first illegal dismissal case and the second illegal dismissal case involved the same cause of action and relief as the first case. The *fallo* reads:

> WHEREFORE, the appeal filed by complainants is hereby DENIED for lack of merit. The decision dated 16 February 2010 is AFFIRMED.
>
> SO ORDERED.[15]

Petitioners moved for reconsideration but the same was denied by the NLRC in a Resolution[16] dated July 30, 2010.

The CA Ruling

In a Decision dated August 30, 2012, the CA dismissed the appeal on the ground of laches and estoppel. It noted that when a petition for *certiorari* involving the first case was filed, Demetrio was ordered dropped from the case because he did not sign the verification and certification of non-forum shopping. But he did not act on it by seeking reconsideration of the court's order. The appellate court further observed that when the other petitioners were excluded from the petition for *certiorari* because they were not impleaded as petitioners, no action was taken by any of them. It added that if petitioners were really interested in the outcome of the first illegal dismissal case, they should have acted at the earliest opportunity, *i.e.*, when they were declared dropped or excluded from the case. The CA likewise pronounced that petitioners did not attempt to seek relief from the Supreme Court. The *fallo* reads:

> **WHEREFORE**, the petition is **DISMISSED**. The assailed Decision and Resolution promulgated on June 16, 2010 and July 30, 2010, respectively, of the National Labor Relations Commission in NLRC CA NO. 041888-04 are **AFFIRMED**.
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> **SO ORDERED.**[17]

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15 Id. at 202.
16 Id. at 204-206.
17 Id. at 74.

Petitioners moved for reconsideration, but the same was denied by the CA in a Resolution[18] dated September 3, 2013. Hence, this petition for review on *certiorari* wherein petitioners raised the following issue:

> THE HONORABLE COURT OF APPEALS ERRED IN DISMISSING THE PETITION ON THE GROUND OF LACHES AND ESTOPPEL.[19]

Petitioners argue that *res judicata* is not applicable because the Decision on the first illegal dismissal case could not be considered as judgment on the merits as it merely dropped them as parties to the case on the basis of failure to sign the verification and certification of non-forum shopping; that their interest in pursuing the case is shown by their act of filing the second complaint for illegal dismissal on July 14, 2009, less than a year after the Decision on the first illegal dismissal case attained finality on July 28, 2008; and that their substantial rights should not be sacrificed in favor of technicalities.[20]

In their Comment,[21] respondents counter that petitioners did not raise any objection when they were excluded from the proceedings in the first illegal dismissal case; that petitioners failed to present any valid reason for the long delay in prosecuting their cause; and that their inaction is graver than mere lack of vigilance and the CA had clear legal and factual bases for the dismissal of the petition on the ground of laches and estoppel.

In their Reply,[22] petitioners contend that *res judicata* is not applicable because there was no identity of parties considering that there were only six complainants in the second case; that they are also entitled to the monetary award had they not been dropped from the case; and that since rules of procedure are mere tools designed to facilitate the attainment of justice, their strict and rigid application which would result in technicalities that tend to frustrate rather than promote substantial justice must always be avoided.

The Court's Ruling

The petition lacks merit.

Res judicata means "a matter adjudged; a thing judicially acted upon or decided; a thing or matter settled by judgment." It lays the rule that an existing final judgment or decree rendered on the merits, without fraud or collusion, by a court of competent jurisdiction, upon any matter within its

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18 Id. at 93-94.
19 Id. at 13.
20 Id. at 9-23.
21 Id. at 113-126.
22 Id. at 234-246.

jurisdiction, is conclusive of the rights of the parties or their privies, in all other actions or suits in the same or any other judicial tribunal of concurrent jurisdiction on the points and matters in issue in the first suit.[23]

The doctrine of *res judicata* embodied in Section 47, Rule 39 of the Rules of Court provides:

> SEC. 47. *Effect of judgments or final orders.* —
>
> The effect of a judgment or final order rendered by a court of the Philippines, having jurisdiction to pronounce the judgment or final order, may be as follows:
>
> x x x x
>
> (b) In other cases, the judgment or final order is, with respect to the matter directly adjudged or as to any other matter that could have been [missed] in relation thereto, conclusive between the parties and their successors in interest by title subsequent to the commencement of the action or special proceeding, litigating for the same thing and under the same title and in the same capacity; and
>
> (c) In any other litigation between the same parties or their successors in interest, that only is deemed to have been adjudged in a former judgment or final order which appears upon its face to have been so adjudged, or which was actually and necessarily included therein or necessary thereto.

The above-quoted provision embraces two concepts of *res judicata:* (1) bar by prior judgment as enunciated in Rule 39, Section 47(b); and (2) conclusiveness of judgment in Rule 39, Section 47(c). *Oropeza Marketing Corporation v. Allied Banking Corporation*[24] differentiated between the two rules of *res judicata:*

> There is "bar by prior judgment" when, as between the first case where the judgment was rendered and the second case that is sought to be barred, there is identity of parties, subject matter, and causes of action. In this instance, the judgment in the first case constitutes an absolute bar to the second action. Otherwise put, the judgment or decree of the court of competent jurisdiction on the merits concludes the litigation between the parties, as well as their privies, and constitutes a bar to a new action or suit involving the same cause of action before the same or any other tribunal.
>
> But where there is identity of parties in the first and second cases, but no identity of causes of action, the first judgment is conclusive only as to those matters actually and directly controverted and determined and not

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[23] *Spouses Selga v. Brar*, 673 Phil. 581, 591 (2011).
[24] 441 Phil. 551, 564 (2002).

> as to matters merely involved therein. This is the concept of *res judicata* known as "conclusiveness of judgment." Stated differently, any right, fact or matter in issue directly adjudicated or necessarily involved in the determination of an action before a competent court in which judgment is rendered on the merits is conclusively settled by the judgment therein and cannot again be litigated between the parties and their privies, whether or not the claim, demand, purpose, or subject matter of the two actions is the same.

The elements of *res judicata* are: (1) the judgment sought to bar the new action must be final; (2) the decision must have been rendered by a court having jurisdiction over the subject matter and the parties; (3) the disposition of the case must be a judgment on the merits; and (4) there must be as between the first and second action, identity of parties, subject matter, and causes of action. x x x Should identity of parties, subject matter, and causes of action be shown in the two cases, then *res judicata* in its aspect as a "bar by prior judgment" would apply. If as between the two cases, only identity of parties can be shown, but not identical causes of action, then *res judicata* as "conclusiveness of judgment" applies.[25]

The Court finds that the subject case satisfies all the requisites of *res judicata* under the first concept of bar by prior judgment.

The first illegal dismissal case, which was decided in favor of petitioners' co-employees, attained finality on July 28, 2008.[26] As regards petitioners Monterona, Alvarez, Samson, Ocampo and Metre, the case became final when they failed to file a petition for *certiorari* before the CA to assail the NLRC Decision.[27] With respect to petitioner Demetrio, the case attained finality when he failed to comply with the order of the CA to sign the verification and certification against forum shopping.[28] It must be emphasized that failure on the part of the plaintiff to comply with any order of the court will result in dismissal which shall have the effect of an adjudication on the merits.[29]

It is likewise beyond dispute that the judgment on the first illegal dismissal case has been rendered by a court having jurisdiction over the subject matter as well as over the parties and it was a judgment on the merits. Further, there can be no question as to the identity of the parties. Petitioners were among the complainants in the first illegal dismissal case which was instituted against the same respondents.

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25 Id. at 564-565.
26 *Rollo*, pp. 174-175.
27 Id. at 169.
28 Id. at 157.
29 RULES OF COURT, Rule 17, Section 3.

The subject matters and causes of action of the two cases are also identical. A subject matter is the item with respect to which the controversy has arisen, or concerning which the wrong has been done, and it is ordinarily the right, the thing, or the contract under dispute.[30] In the case at bar, both the first and second actions involve petitioners' right to security of tenure. Meanwhile, Section 2, Rule 2 of the Rules of Court defines a cause of action as "the act or omission by which a party violates a right of another." In *Yap v. Chua,*[31] the Court held that the test to determine whether the causes of action are identical is to ascertain whether the same evidence would support both actions, or whether there is an identity in the facts essential to the maintenance of the two actions. If the same facts or evidence would support both actions, then they are considered the same; and a judgment in the first case would be a bar to the subsequent action. Here, the two cases involve the same cause of action, *i.e.,* respondents' act of terminating petitioners' employment. The facts in the two cases are identical and petitioners presented the same evidence to prove their claims in both cases.

Res judicata requires that stability be accorded to judgments. Controversies once decided on the merits shall remain in repose for there should be an end to litigation which, without the doctrine, would be endless.[32] As the Court declared in *Camara v. Court of Appeals,*[33] both concepts of *res judicata are:*

> [F]ounded on the principle of estoppel, and are based on the salutary public policy against unnecessary multiplicity of suits. Like the splitting of causes of action, *res judicata* is in pursuance of such policy. Matters settled by a Court's final judgment should not be litigated upon or invoked again. Relitigation of issues already settled merely burdens the Courts and the taxpayers, creates uneasiness and confusion, and wastes valuable time and energy that could be devoted to worthier causes. As the Roman maxim goes, *Non bis in edem.*

In fine, while the Court commiserates with petitioners' predicament, it cannot sanction the setting aside of a doctrine so well-settled as *res judicata.* Petitioners' complaint in NLRC NCR Case No. 07-10297-09 is rightfully dismissed for being barred by prior judgment.

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30 *Presidential Commission on Good Government v. Sandiganbayan,* 556 Phil. 664, 676 (2007).
31 687 Phil. 392, 401 (2012).
32 *Nacuray v. National Labor Relations Commission,* 336 Phil. 749, 757 (1997).
33 369 Phil. 858, 865 (1999).

WHEREFORE, the petition is **DENIED**. The August 30, 2012 Decision and the September 3, 2013 Resolution of the Court of Appeals in CA-G.R. SP No. 116519 are **AFFIRMED.**

SO ORDERED.

JOSE C. REYES, JR.
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Senior Associate Justice
Chairperson

ESTELA M. PERLAS-BERNABE
Associate Justice

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

RAMON PAUL L. HERNANDO
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.

ANTONIO T. CARPIO
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.

LUCAS P. BERSAMIN
Chief Justice