Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

CLUB FILIPINO, INC. and ATTY. ROBERTO F. DE LEON, Petitioners,	**G.R. No. 168406** Present:
-versus-	CARPIO, *J., Chairperson,* VELASCO,* DEL CASTILLO, MENDOZA, and LEONEN, *JJ.*
BENJAMIN BAUTISTA, RONIE SUALOG, JOEL CALIDA, JOHNNY ARINTO, CARLITO PRESENTACION, and ROBERTO DE GUZMAN, Respondents.	**Promulgated:** JAN 14 2015

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RESOLUTION

LEONEN, *J.*:

This resolves Club Filipino, Inc.'s Supplemental Motion for Reconsideration of this court's Resolution dated July 13, 2009.

Club Filipino Employees Association (CLUFEA) is a union representing the employees of Club Filipino, Inc. CLUFEA and Club Filipino, Inc. entered into previous collective bargaining agreements, the last of which expired on May 31, 2000.[1]

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* Designated Acting Member per S.O. No. 1910 dated January 12, 2015.

1 *Club Filipino, Inc., et al. v. Bautista, et al.*, 610 Phil. 141, 143 (2009) [Per J. Corona, First Division].

Before CLUFEA and Club Filipino, Inc.'s last collective bargaining agreement expired and within the 60-day freedom period,[2] CLUFEA had made several demands on Club Filipino, Inc. to negotiate a new agreement. Club Filipino, Inc., however, replied that its Board of Directors could not muster a quorum to negotiate with CLUFEA.[3]

CLUFEA then formally submitted its proposals to Club Filipino Inc.'s negotiating panel sometime in June 2000. Still, Club Filipino, Inc. failed to negotiate, citing as reason the illness of the chairperson of its negotiating panel.[4]

To compel Club Filipino, Inc. to negotiate with it, CLUFEA filed before the National Conciliation and Mediation Board (NCMB) a request for preventive mediation. The negotiating panels of CLUFEA and Club Filipino, Inc. finally met on April 5, 2001. However, the meeting ended with the parties' respective panels declaring a deadlock in negotiation.[5]

Thus, on April 6, 2001, CLUFEA filed with the NCMB a Notice of Strike on the ground of bargaining deadlock. Club Filipino, Inc. submitted the first part of its counterproposal on April 22, 2001.[6]

On May 4, 2001, CLUFEA conducted a strike vote under the Department of Labor and Employment's supervision with the majority of CLUFEA's total union membership voting to strike.[7]

On May 11, 2001, Club Filipino, Inc. submitted to CLUFEA the second part of its counterproposal, which CLUFEA countered with an improved offer. Club Filipino, Inc., however, refused CLUFEA's improved offer.[8]

On May 26, 2001, CLUFEA staged a strike on the ground of bargaining deadlock.[9]

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2 LABOR CODE, Art. 253 provides:
Article 253. *Duty to bargain collectively when there exists a collective bargaining agreement.* – When there is a collective bargaining agreement, the duty to bargain collectively shall also mean that neither party shall terminate nor modify such agreement during its lifetime. However, either party can serve a written notice to terminate or modify the agreement at least sixty (60) days prior to its expiration date. It shall be the duty of both parties to keep the *status quo* and to continue in full force and effect the terms and conditions of the existing agreement during the 60-day period and/or until a new agreement is reached by the parties.

3 *Club Filipino, Inc., et al. v. Bautista, et al.*, 610 Phil. 141, 143 (2009) [Per J. Corona, First Division].

4 Id.

5 Id.

6 Id. at 144.

7 Id.

8 Id.

9 Id.

On May 31, 2001, Club Filipino, Inc. filed before the National Capital Regional Arbitration Branch of the National Labor Relations Commission (NLRC) a Petition to Declare [CLUFEA's] Strike Illegal.[10] According to Club Filipino, Inc., CLUFEA failed to file a Notice of Strike and to conduct a strike vote, in violation of the legal requirements for staging a strike.[11] Worse, CLUFEA's members allegedly committed illegal acts while on strike, preventing their co-workers from entering and leaving Club Filipino, Inc.'s premises and even cutting off Club Filipino, Inc.'s electricity and water supply on the first day of the strike.[12] Club Filipino, Inc. prayed that all of CLUFEA's officers who participated in the strike be declared to have lost their employment pursuant to Article 264(a) of the Labor Code.[13]

CLUFEA answered Club Filipino, Inc.'s Petition with the following officers verifying the Answer: Benjamin Bautista, President (Bautista); Danilo Caluag, Vice President (Caluag); Ronie Sualog, Secretary (Sualog); and Joel Calida, Treasurer (Calida).[14]

Labor Arbiter Manuel P. Asuncion decided Club Filipino, Inc.'s Petition for declaration of illegal strike.[15] He found that CLUFEA's Notice of Strike did not contain CLUFEA's written proposals and Club Filipino, Inc.'s counterproposals, in violation of then Rule XXII, Section 4 of the Omnibus Rules Implementing the Labor Code.[16] The rule provided:

> In cases of bargaining deadlocks, the notice shall, as far as practicable, further state the unresolved issues in the bargaining negotiations and be accompanied by the written proposals of the union, the counter-proposals of the employer and the proof of a request for conference to settle differences. In cases of unfair labor practices, the notice shall, as far as practicable, state the acts complained of, and efforts taken to resolve the dispute amicably.

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10 *Rollo*, pp. 59–64.

11 Id. at 61.

12 Id. at 62.

13 LABOR CODE, Art. 264(a) provides:
Article. 264. Prohibited activities. - (a) No labor organization or employer shall declare a strike or lockout without first having bargained collectively in accordance with Title VII of this Book or without first having filed the notice required in the preceding Article or without the necessary strike or lockout vote first having been obtained and reported to the Ministry.

No strike or lockout shall be declared after assumption of jurisdiction by the President or the Minister or after certification or submission of the dispute to compulsory or voluntary arbitration or during the pendency of cases involving the same grounds for the strike or lockout.

Any worker whose employment has been terminated as a consequence of any unlawful lockout shall be entitled to reinstatement with full backwages. *Any union officer who knowingly participates in an illegal strike and any worker or union officer who knowingly participates in the commission of illegal acts during a strike may be declared to have lost his employment status*: Provided, That mere participation of a worker in a lawful strike shall not constitute sufficient ground for termination of his employment, even if a replacement had been hired by the employer during such lawful strike. (Emphasis supplied)

14 *Rollo*, p. 46.

15 Id. at 65–73.

16 Id. at 71.

> Any notice which does not conform with the requirements of this and the foregoing section shall be deemed as not having been filed and the party concerned shall be so informed by the regional branch of the Board.

Thus, in the Decision[17] dated November 28, 2001, the Labor Arbiter declared CLUFEA's strike "procedurally infirm"[18] for CLUFEA's failure to comply with the procedural requirements for staging a strike. The Labor Arbiter declared the strike illegal and considered "all the officers of the union . . . terminated from service."[19] Because of the retrenchment program Club Filipino, Inc. allegedly launched before the Labor Arbiter issued his Decision, the dismissed union officers were ordered to receive separation pay "similar in terms with those offered to the employees affected by the retrenchment program of the club."[20]

On December 20, 2001, CLUFEA appealed the Labor Arbiter's Decision before the National Labor Relations Commission (NLRC) with Bautista, Caluag, Sualog, and Calida verifying the Memorandum of Appeal on CLUFEA's behalf.[21]

The NLRC ruled that CLUFEA's Appeal was filed by persons "[having] no legal standing to question the [Labor Arbiter's] decision."[22] Bautista had allegedly resigned from Club Filipino, Inc. on September 30, 2001, receiving separation benefits pursuant to Club Filipino, Inc.'s Employees Retirement Plan.[23]

For their part, Caluag, Sualog, and Calida allegedly misrepresented themselves as CLUFEA's officers when they appealed to the NLRC. According to the NLRC, CLUFEA had already elected a new set of officers on September 28, 2001. Caluag, Sualog, and Calida, therefore, were no longer CLUFEA's officers when they filed the Appeal on December 20, 2001.[24]

Finding that CLUFEA no longer wished to appeal the Labor Arbiter's Decision, the NLRC cited a letter the new officers of CLUFEA allegedly gave Atty. Roberto F. De Leon, Club Filipino, Inc.'s President:

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17 Id. at 65–73.
18 Id. at 72.
19 Id.
20 Id.
21 Id. at 78.
22 Id.
23 Id.
24 Id.

> *Nais po naming ipabatid na ang ginawad na pagpapasya ng NLRC na naging ilegal ang pagdaos ng pag-aalsa noong Mayo 26, 2001 ay hindi lingid sa aming kaalaman at kami'y lubos na nalulungkot para doon sa mga kasaping opisyal na nasangkot at humantong sa ganito ng dahil na rin sa kanilang kapabayaan, mga padalos-dalos at mapusok na pagkilos na walang pagkunsulta sa mga miyembro. Ang pamunuan sampu ng aming mga kasapi ay mariing tinututulan ang ano mang uri ng pag-aapela upang maisalba ang natitirang miyembro sa tiyak na kapahamakan kung magpapatuloy and* [sic] *ganitong uri ng tagisan ng bawat isa.*[25]

Lastly, the NLRC found that as of November 23, 2001, CLUFEA had terminated the services of its legal counsel.[26] Yet, its former legal counsel filed and signed CLUFEA's Memorandum of Appeal to the NLRC. The Memorandum of Appeal, therefore, was filed without authority of CLUFEA.

Thus, in the Decision[27] dated September 30, 2002, the NLRC denied the Appeal filed on December 20, 2001 for lack of merit.

Club Filipino, Inc. filed a Motion for Partial Reconsideration, while Bautista, Caluag, Sualog, and Calida filed a Motion for Reconsideration of the NLRC's Decision dated September 30, 2002. Johnny Arinto (Arinto), Roberto de Guzman (de Guzman), and Laureno Fegalquin (Fegalquin), all directors and officers of CLUFEA,[28] joined Bautista, Caluag, Sualog, and Calida in filing the Motion for Reconsideration.[29]

The NLRC denied the Motions in the Resolution[30] dated July 15, 2003.

On September 22, 2003, Bautista, Sualog, Calida, Arinto, de Guzman, and Fegalquin filed a Petition for Certiorari with the Court of Appeals.[31] However, Caluag no longer joined his colleagues. Instead, Carlito Presentacion (Presentacion), a CLUFEA member, joined in the filing of the Petition for Certiorari.

The Court of Appeals first resolved whether Bautista, Sualog, Calida, Arinto, de Guzman, and Fegalquin had legal personality to appeal before the NLRC. On this issue, the Court of Appeals ruled that "a worker ordered dismissed under a tribunal's decision has every right to question his or her dismissal especially if he [or she] had not been properly impleaded in the

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25 Id.
26 Id. at 79.
27 Id. at 76–79.
28 Id. at 83 and 60 (for respondent Fegalquin).
29 Id. at 48.
30 Id. at 80.
31 Id. at 44.

case and in the decision that decreed his or her dismissal."[32] Being officers of CLUFEA, Bautista, et al. had the right to appeal the loss of their employment with the NLRC.

With respect to Arinto, de Guzman, and Fegalquin, the Court of Appeals further ruled that they were not granted "the full hearing that the due process requirements of the Philippine Constitution impose."[33] Arinto, de Guzman, and Fegalquin participated only during the Motion for Reconsideration stage with the NLRC. The Labor Arbiter's Decision, therefore, did not bind Arinto, de Guzman, and Fegalquin.

On the merits, the Court of Appeals held that the Labor Arbiter gravely abused his discretion in declaring CLUFEA's strike illegal. The Court of Appeals ruled that the requirements under Rule XXII, Section 4 of the Omnibus Rules Implementing the Labor Code "[do] not appear to be absolute."[34] Rule XXII, Section 4 only requires that the proposals and counterproposals be attached to the Notice of Strike "as far as practicable."[35] Since CLUFEA had already filed a Notice of Strike when Club Filipino, Inc. submitted its counterproposals, it was not practicable for CLUFEA to attach Club Filipino, Inc.'s counterproposals to the Notice of Strike.

The Court of Appeals found that the Labor Arbiter "disregarded"[36] the law on the status of employees who participated in an illegal strike. Under the law, union officers may be dismissed for participating in an illegal strike only if they knowingly participated in it. According to the Court of Appeals, the Labor Arbiter erred in ordering all the officers of CLUFEA dismissed from the service without even naming these officers and specifying the acts these officers committed that rendered the strike illegal.

The Court of Appeals, however, found that Bautista and Fegalquin had already resigned during the pendency of the case and had received separation benefits from Club Filipino, Inc. Bautista and Fegalquin, therefore, "no longer [had] any legal interest [in filing the petition for certiorari]."[37]

As for Presentacion, the Court of Appeals found that he was not an officer of CLUFEA and was not dismissed by virtue of the Labor Arbiter's Decision. He, therefore, had no personality to join Bautista, Sualog, Calida, Arinto, de Guzman, and Fegalquin in filing the Petition for Certiorari.

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32 Id. at 47.
33 Id. at 48.
34 Id. at 52.
35 Id. at 71.
36 Id. at 53.
37 Id. at 55.

As for Sualog, Calida, Arinto, and de Guzman, the Court of Appeals ruled that the Labor Arbiter's Decision was void.

Thus, in the Decision[38] dated May 31, 2005, the Court of Appeals granted the Petition for Certiorari with respect to Sualog, Calida, Arinto, and de Guzman. The Court of Appeals set aside the Labor Arbiter's Decision for being null and void and ordered the payment of full backwages and benefits to them from the time of their dismissal up to the finality of the Court of Appeals' Decision. In lieu of reinstatement, the Court of Appeals ordered Club Filipino, Inc. to pay Sualog, Calida, Arinto, and de Guzman separation pay computed at one (1) month salary per year of service from the time of their hiring up to the finality of the Decision less any amount Sualog, Calida, Arinto, and de Guzman may have received pursuant to the Labor Arbiter's Decision.

As for Bautista, Fegalquin, and Presentacion, the Court of Appeals dismissed the Petition for Certiorari.[39]

On June 23, 2005, Club Filipino, Inc. filed a Petition for Review on Certiorari[40] with this court. Bautista, Sualog, Calida, Arinto, Presentacion, and de Guzman filed their Comment[41] to which Club Filipino, Inc. replied.[42]

After the parties had filed their respective memoranda,[43] this court considered this case submitted for decision.[44]

This court agreed with the Court of Appeals' Decision. This court ruled that CLUFEA could not have attached Club Filipino, Inc.'s counterproposals in the Notice of Strike since Club Filipino, Inc. submitted it only after CLUFEA had filed the Notice of Strike. It was, therefore, "not practicable"[45] for CLUFEA to attach Club Filipino, Inc.'s counterproposal to the Notice of Strike. CLUFEA did not violate Rule XXII, Section 4 of the Omnibus Rules Implementing the Labor Code.

This court sustained the Court of Appeals' finding that the Labor Arbiter gravely abused his discretion in ordering the "wholesale dismissal"[46] of CLUFEA's officers. According to this court, the law requires "'knowledge' [of the illegality of the strike] as a condition *sine qua non*

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38 Id. at 38–58. Associate Justice Arturo D. Brion (now a Justice of this court) wrote the Decision, with Associate Justices Eugenio S. Labitoria and Eliezer R. De Los Santos concurring.
39 Id. at 57.
40 Id. at 3–37.
41 Id. at 132–140.
42 Id. at 142–154.
43 Id. at 156–167, Memorandum for respondents; *rollo*, pp. 168–198, Memorandum for petitioners.
44 Id. at 200, Resolution dated March 15, 2006.
45 *Club Filipino, Inc., et al. v. Bautista, et al.*, 610 Phil. 141, 147 (2009) [Per J. Corona, First Division].
46 Id. at 148.

before a union officer can be dismissed . . . for participating in an illegal strike."[47] However, "[n]owhere in the ruling of the labor arbiter can [there be found] any discussion of how respondents, as union officers, knowingly participated in the alleged illegal strike. Thus, even assuming . . . that the strike was illegal, [the] automatic dismissal [of CLUFEA's officers] had no basis."[48]

Thus, in the Resolution[49] dated July 13, 2009, this court denied Club Filipino, Inc.'s Petition for Review on Certiorari.

On August 17, 2009, Club Filipino, Inc. filed a Motion for Reconsideration,[50] which this court denied with finality in the Resolution[51] dated September 9, 2009. This court declared that it shall not entertain any further pleadings or motions and ordered that Entry of Judgment in this case be made in due course.[52]

On September 14, 2009, Solis Medina Limpingco and Fajardo entered its appearance for Club Filipino, Inc.[53] and simultaneously filed a Motion for Leave[54] to file and admit the attached Supplemental Motion for Reconsideration.[55]

On November 3, 2009, Club Filipino, Inc. filed its Motion for Leave to File and Admit further Pleading/Motion,[56] alleging that this court failed to consider its Supplemental Motion for Reconsideration in issuing its September 9, 2009 Resolution denying Club Filipino, Inc.'s first Motion for Reconsideration. Club Filipino, Inc. prayed that this court resolve the Supplemental Motion for Reconsideration.

In the Resolution[57] dated January 11, 2010, this court granted Club Filipino, Inc.'s Motions for Leave and noted the Supplemental Motion for Reconsideration.

However, because of this court's Resolution dated September 9, 2009, an Entry of Judgment[58] was issued on October 26, 2010, declaring that this case had become final and executory as of October 26, 2009. This court

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47 Id.
48 Id. at 149.
49 *Club Filipino, Inc. et al. v. Bautista, et al.*, 610 Phil. 141 (2009) [Per J. Corona, First Division].
50 *Rollo*, pp. 217–233.
51 Id. at 250.
52 Id.
53 Id. at 251–256.
54 Id. at 257–259.
55 Id. at 260–273.
56 Id. at 275–282.
57 Id. at 306–307.
58 Id. at 309.

likewise ordered the return of the case records to the Court of Appeals for remand to the court of origin.[59]

Club Filipino, Inc. received the Entry of Judgment on November 10, 2010.[60] Nine (9) days after, Club Filipino, Inc. filed a Manifestation and Motion,[61] arguing that the court prematurely issued the Entry of Judgment because it still had to resolve the Supplemental Motion for Reconsideration.

This court noted the Manifestation and Motion in the Resolution[62] dated January 19, 2011.

On October 18, 2011, Club Filipino, Inc. filed a very urgent Motion to Resolve,[63] alleging that respondents filed a Motion for Execution of this court's Decision on the illegal strike case despite the pendency of its Supplemental Motion for Reconsideration with this court. Club Flipino, Inc. prayed that this court resolve the Supplemental Motion for Reconsideration in order not to render the filing of its Supplemental Motion for Reconsideration moot.

In the Resolution[64] dated November 23, 2011, this court noted the very urgent Motion to Resolve.

On March 23, 2012, Club Filipino, Inc. filed the very urgent Motion for Leave to File and Admit very urgent Motion for Clarification.[65] It informed this court that the NLRC granted respondents' Motion for Execution, which would allegedly result in Club Filipino, Inc. paying respondents separation pay twice. Because of the "extreme urgency"[66] brought about by the developments in this case, Club Filipino, Inc. prayed that this court resolve its Supplemental Motion for Reconsideration.

On April 2, 2012, Club Filipino, Inc. filed a second very urgent Motion for Clarification,[67] pleading the court to clarify its January 11, 2010 Resolution noting the Supplemental Motion for Reconsideration. It reiterated its claim that implementing the Writ of Execution in the illegal strike case "will only result in doubly compensating respondents to the utmost prejudice and manifest injustice of [Club Filipino, Inc.]."[68]

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59 Id. at 310.
60 Id. at 316.
61 Id. at 315–329.
62 Id. at 363.
63 Id. at 364–384.
64 Id. at 441.
65 Id. at 445–443.
66 Id. at 449.
67 Id. at 490–497.
68 Id. at 492.

Club Filipino, Inc. subsequently filed the very urgent Manifestation and Omnibus Motion,[69] very urgent Omnibus Motion,[70] and second very urgent Omnibus Motion,[71] all arguing that the implementation of the Writ of Execution would result in double compensation to respondents. All of these Motions were noted by this court.

In the Supplemental Motion for Reconsideration and the subsequent Motions to Resolve, Club Filipino, Inc. maintains that this court erred in affirming the Court of Appeals' award of backwages and separation pay in the illegal strike case on top of the separation pay respondents received by virtue of Club Filipino, Inc.'s retrenchment program.

Club Filipino, Inc. alleged that pending its Petition for declaration of illegal strike with the NLRC, it implemented a retrenchment program to minimize its "mounting losses."[72] Among the 76 retrenched employees were respondents.

Respondents, together with other retrenched employees, filed a Complaint for illegal dismissal with the NLRC, questioning the validity of the retrenchment program. In the Decision[73] dated October 2, 2002, Labor Arbiter Natividad M. Roma dismissed the Complaint and found the retrenchment program valid. She ordered that the retrenched employees, which included respondents, be paid their separation pay.

Labor Arbiter Natividad M. Roma's Decision was affirmed by the NLRC in the Decision dated February 23, 2004. The NLRC's Decision became final and executory on March 27, 2004.

Considering that the NLRC had finally resolved that respondents were not illegally dismissed and had already ordered that respondents be paid separation pay under the retrenchment program, Club Filipino, Inc. argues that the NLRC's Resolution of the issue constituted *res judicata* as to bar the Court of Appeals from declaring that respondents were illegally dismissed and from awarding respondents separation pay in the illegal strike case.

The issues for our Resolution are:

(1) Whether Club Filipino, Inc.'s filing of the Supplemental Motion for Reconsideration prevented our Resolution dated July 13, 2009 from becoming final and executory; and

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69 Id. at 505–524.
70 Id. at 534–551.
71 Id. at 582–586.
72 Id. at 261.
73 Id. at 82–101.

(2) Whether the NLRC's Decision on the illegal dismissal case was *res judicata* on the illegal strike case.

The Supplemental Motion for Reconsideration must be denied with finality.

I

The filing of the Supplemental Motion for Reconsideration did not prevent this court's Resolution dated July 13, 2009 from becoming final and executory.

Petitioner Club Filipino, Inc.'s Supplemental Motion for Reconsideration of the Resolution dated July 13, 2009 is in the nature of a second Motion for Reconsideration.

As a general rule, the filing of second Motions for Reconsideration of a judgment or final resolution is prohibited. Rule 52, Section 2 of the Rules of Court provides:

> Section 2. *Second motion for reconsideration*. — No second motion for reconsideration of a judgment or final resolution by the same party shall be entertained.

This prohibition is reiterated in Rule 15, Section 3 of the Internal Rules of the Supreme Court:

> Section 3.*Second motion for reconsideration*. – The Court shall not entertain a second motion for reconsideration, and any exception to this rule can only be granted in the higher interest of justice by the Court en banc upon a vote of at least two-thirds of its actual membership. There is reconsideration "in the higher interest of justice" when the assailed decision is not only legally erroneous, but is likewise patently unjust and potentially capable of causing unwarranted and irremediable injury or damage to the parties. A second motion for reconsideration can only be entertained before the ruling sought to be reconsidered becomes final by operation of law or by the Court's declaration.
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> In the Division, a vote of three Members shall be required to elevate a second motion for reconsideration to the Court En Banc.

For this court to entertain second Motions for Reconsideration, the second Motions must present "extraordinarily persuasive reasons and only

upon express leave first obtained."[74] Once leave to file is granted, the second Motion for Reconsideration is no longer prohibited.[75]

This court explained the rationale for the rule in *Ortigas and Company Limited Partnership v. Judge Velasco*,[76] thus:

> A second motion for reconsideration is forbidden except for extraordinarily persuasive reasons, and only upon express leave first obtained. The propriety or acceptability of such a second motion for reconsideration is not contingent upon the averment of "new" grounds to assail the judgment, i.e., grounds other than those theretofore presented and rejected. Otherwise, attainment of finality of a judgment might be staved off indefinitely, depending on the party's ingeniousness or cleverness in conceiving and formulating "additional flaws" or "newly discovered errors" therein, or thinking up some injury or prejudice to the rights of the movant for reconsideration. "Piece-meal" impugnation of a judgment by successive motions for reconsideration is anathema, being precluded by the salutary axiom that a party seeking the setting aside of a judgment, act or proceeding must set out in his motion all the grounds therefor, and those not so included are deemed waived and cease to be available for subsequent motions.
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> For all litigation must come to an end at some point, in accordance with established rules of procedure and jurisprudence. As a matter of practice and policy, courts must dispose of every case as promptly as possible; and in fulfillment of their role in the administration of justice, they should brook no delay in the termination of cases by stratagems or maneuverings of parties or their lawyers.[77]

In the present case, this court granted leave to petitioner Club Filipino, Inc. to file the Supplemental Motion for Reconsideration in the Resolution dated January 11, 2010. The Supplemental Motion for Reconsideration, therefore, is no longer prohibited.

The grant of leave to file the Supplemental Motion for Reconsideration, however, did not prevent this court's July 13, 2009 Resolution from becoming final and executory. A decision or resolution of this court is deemed final and executory after the lapse of 15 days from the parties' receipt of a copy of the decision or resolution.[78] The grant of leave to file the second Motion for Reconsideration does not toll this 15-day

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74 *Ortigas and Company Limited Partnership v. Judge Velasco*, 324 Phil. 483, 489 (1996) [Per C.J. Narvasa, Third Division]; *See McBurnie v. Ganzon*, G.R. Nos. 178034 and 178117; 186984-85, October 17, 2013, 707 SCRA 646, 665 [Per J. Reyes, En Banc].

75 *See McBurnie v. Ganzon*, G.R. Nos. 178034 and 178117; 186984-85, October 17, 2013, 707 SCRA 646, 668-669 [Per J. Reyes, En Banc]; *League of Cities of the Philippines (LCP) v. Commission on Elections*, G.R. Nos. 176951, 177499 & 178056, February 15, 2011, 643 SCRA 149, 160 [Per J. Bersamin, En Banc].

76 324 Phil. 483 (1996) [Per C.J. Narvasa, Third Division].

77 Id. at 489–490.

78 INTERNAL RULES OF THE SUPREME COURT, Rule 15, sec. 1.

period. It only means that the Entry of Judgment first issued may be lifted should the second Motion for Reconsideration be granted.[79]

In *Aliviado v. Procter and Gamble Philippines, Inc.*[80] this court explained that:

> [i]t is immaterial that the Entry of Judgment was made without the Court having first resolved P&G's second motion for reconsideration. This is because the issuance of the entry of judgment is reckoned from the time the parties received a copy of the resolution denying the first motion for reconsideration. The filing by P&G of several pleadings after receipt of the resolution denying its first motion for reconsideration does not in any way bar the finality or entry of judgment. *Besides, to reckon the finality of a judgment from receipt of the denial of the second motion for reconsideration would be absurd. First, the Rules of Court and the Internal Rules of the Supreme Court prohibit the filing of a second motion for reconsideration. Second, some crafty litigants may resort to filing prohibited pleadings just to delay entry of judgment.*[81] (Underscoring in the original, emphasis supplied)

This case became final and executory on October 26, 2009, after the lapse of the 15th day from petitioner Club Filipino, Inc.'s receipt of the Resolution denying its first Motion for Reconsideration. Entry of Judgment, therefore, was in order.

Since this court did not issue any temporary restraining order to enjoin the execution of the Court of Appeals' Decision, the NLRC correctly proceeded in implementing the Court of Appeals' Decision in the illegal strike case.

II

The NLRC's Decision on the illegal dismissal case was not *res judicata* on the illegal strike case.

Res judicata "literally means 'a matter adjudged; a thing judicially acted upon or decided; [or] a thing or matter settled by judgment.'"[82] *Res judicata* "lays the rule that an existing final judgment or decree rendered on the merits, and without fraud or collusion, by a court of competent

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79 *See McBurnie v. Ganzon*, G.R. Nos. 178034 & 178117; 186984-85, October 17, 2013, 707 SCRA 646, 666-668 [Per J. Reyes, En Banc]; *Navarro v. Ermita*, G.R. No. 180050, April 12, 2011, 648 SCRA 400 [Per J. Nachura, En Banc]; *Muñoz v. Court of Appeals*, 379 Phil. 809 (2000) [Per J. Ynares-Santiago, First Division].

80 G.R. No. 160506, June 6, 2011, 650 SCRA 400 [Per J. Del Castillo, First Division].

81 Id. at 408–409.

82 *Spouses Torres v. Medina, et al.*, 629 Phil. 101, 111 (2010) [Per J. Peralta, Third Division].

jurisdiction, upon any matter within its 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."[83]

Res judicata has two (2) aspects. The first is bar by prior judgment that precludes the prosecution of a second action upon the same claim, demand or cause of action.[84] The second aspect is conclusiveness of judgment, which states that "issues actually and directly resolved in a former suit cannot again be raised in any future case between the same parties involving a different cause of action."[85]

The elements of *res judicata* are:

> (1) the judgment sought to bar the new action must be final;
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> (2) the decision must have been rendered by a court having jurisdiction over the subject matter and the parties;
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> (3) the disposition of the case must be a judgment on the merits; and
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> (4) there must be as between the first and second action identity of parties, subject matter, and causes of action.[86]

The first three (3) elements of *res judicata* are present in this case.

The NLRC's judgment on the illegal dismissal case is already final with respondents not having appealed the Decision within the reglementary period.

The Labor Arbiter, who has the exclusive original jurisdiction to hear, try, and decide illegal dismissal cases,[87] decided the case. The Labor Arbiter's Decision was heard on appeal by the NLRC, which has exclusive appellate jurisdiction over all cases decided by Labor Arbiters.[88]

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83 Id. at 111.

84 *Orendain v. BF Homes, Inc.*, 536 Phil. 1059, 1073 (2006) [Per J. Velasco, Jr., Third Division].

85 Id.

86 *Spouses Torres v. Medina, et al.*, 629 Phil. 101, 111 (2010) [Per J. Peralta, Third Division].

87 LABOR CODE, Art. 217(a)(3) provides:
Art. 217. *Jurisdiction of the Labor Arbiters and the Commission*. – (a) Except as otherwise provided under this Code, the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide, within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, the following cases involving all workers, whether agricultural or non-agricultural:
. . . .
2. Termination disputes[.]

88 LABOR CODE, Art. 217(b).

The Labor Arbiter's judgment was on the merits.[89] Based on the facts presented by the parties, the Labor Arbiter ruled that petitioner Club Filipino, Inc.'s retrenchment program was valid.

The fourth element of res judicata, however, is absent. Although the cases have substantially identical parties and subject matter of the dismissal of respondents, the cause of action for declaration of illegal strike and the cause of action for illegal dismissal are different.

A cause of action is "the act or omission by which a party violates the rights of another."[90] Its elements are:

> 1) a right in favor of the plaintiff by whatever means and under whatever law it arises or is created;
>
> 2) an obligation on the part of the named defendant to respect or not to violate such right; and
>
> 3) act or omission on the part of such defendant in violation of the right of the plaintiff or constituting a breach of the obligation of the defendant to the plaintiff for which the latter may maintain an action for recovery of damages or other appropriate relief.[91]

In an action for declaration of illegal strike, the cause of action is premised on a union or a labor organization's conduct of a strike without compliance with the statutory requirements.[92]

On the other hand, in an action for illegal dismissal, the cause of action is premised on an employer's alleged dismissal of an employee

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89 *See Mendiola v. Court of Appeals*, 327 Phil. 1156, 1164 (1996) [Per J. Hermosisima, Jr., First Division]; *Nabus v. Court of Appeals*, 271 Phil. 768, 779 (1991) [Per J. Regalado, Second Division].

90 *Heirs of Abadilla v. Galarosa*, 527 Phil. 264, 277 (2006) [Per J. Austria-Martinez, First Division].

91 *Samson v. Spouses Gabor*, G.R. No. 182970, July 23, 2014, <http://sc.judiciary.gov.ph/pdf/web/viewer.html?file=/jurisprudence/2014/july2014/182970.pdf> [Per J. Peralta, Third Division].

92 LABOR CODE, Art. 264 provides:
Art. 264. *Prohibited activities*. – (a) No labor organization or employer shall declare a strike or a lockout without first having bargained collectively in accordance with Title VII of this Book or without first having filed the notice required in the preceding Article or without the necessary strike or lockout vote first having been obtained and reported to the Ministry.

No strike or lockout shall be declared after assumption of jurisdiction by the President or the Minister or after certification or submission of the dispute to compulsory or voluntary arbitration or during the pendency of cases involving the same grounds for the strike or lockout.

Any worker whose employment has been terminated as a consequence of any unlawful lockout shall be entitled to reinstatement with full backwages. Any union officer who knowingly participates in an illegal strike and any worker or union officer who knowingly participates in the commission of illegal acts during a strike may be declared to have lost his employment status: Provided, That mere participation of a worker in a lawful strike shall not constitute sufficient ground for termination of his employment, even if a replacement had been hired by the employer during such lawful strike.

without a just or authorized cause as provided under Articles 282, 283, and 284 of the Labor Code.[93]

There is no *res judicata* in the present case. Petitioner Club Filipino, Inc. filed the illegal strike because members of CLUFEA allegedly disrupted petitioner Club Filipino, Inc.'s business when they staged a strike without complying with the requirements of the law. For their part, respondents filed the illegal dismissal case to question the validity of petitioner Club Filipino, Inc.'s retrenchment program.

Although there is no *res judicata,* the actions have the same subject matter. The subject matter of an action is "the matter or thing from which the dispute has arisen."[94] Both the illegal strike and illegal dismissal cases involve the dismissal of respondents. In respondents' action for illegal dismissal, respondents were found to have been dismissed by virtue of a valid retrenchment program. The NLRC then ordered that they be paid separation pay based on the parties' collective bargaining agreement.

In petitioner Club Filipino, Inc.'s action for declaration of illegal strike, the Labor Arbiter's finding that respondents conducted an illegal strike resulted in their dismissal. Respondents were ordered to receive separation pay "similar in terms with those offered to the employees affected by the retrenchment program of the club."[95] The Court of Appeals, however, found that the Labor Arbiter gravely abused his discretion in declaring the strike illegal. It then reversed the Labor Arbiter's Decision and awarded some of the respondents full backwages, benefits, and separation pay.

Because of the cases' similar subject matter, it was possible that an employee who had already availed of the benefits under the retrenchment program would be declared entitled to separation benefits under the illegal strike case. This is true especially if the retrenched employee did not execute a valid quitclaim upon receiving the benefits under the retrenchment program.

Thus, to prevent double compensation, the Court of Appeals ordered that those who already retired and received their benefits may no longer claim full backwages, benefits, and separation pay under the decision in the

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93 LABOR CODE, Art. 279 provides:
Art. 279. *Security of tenure*. – In cases of regular employment, the employer shall not terminate the services of an employee except for a just cause or when authorized by this Title. An employee who is unjustly dismissed from work shall be entitled to reinstatement without loss of seniority rights and other privileges and to his full backwages, inclusive of allowances, and to his other benefits or their monetary equivalent computed from the time his compensation was withheld from him up to the time of his actual reinstatement.

94 *Agustin v. Sps. Delos Santos,* 596 Phil. 630, 643 (2009) [Per C.J. Puno, First Division].

95 Id.

illegal strike case. This is with respect to respondents Benjamin Bautista and Laureno Fegalquin who already executed their quitclaims. The Court of Appeals said:

> We agree in theory with the petitioners' position that workers' releases and quitclaims are frowned upon and cannot simply be accepted at face value. Jurisprudence however provides us guidance on when to accept and when to reject workers' releases and quitclaims. In the present case where the recipients are responsible union officers who have regularly acted in behalf of their members in the discharge of their union duties and where there is no direct evidence of coercion or vitiation of consent, we believe we can safely conclude that the petitioners Bautista and Fegalquin fully knew that they entered into when they accepted their retirement benefits and when they executed their quitclaims. The Club (as well as the NLRC) is therefore correct in their position that these petitioners no longer have any interest that can serve as basis for their participation in the present petition.[96] (Citations omitted)

With respect to respondent Carlito Presentacion who was not a union officer and, therefore, could not have been dismissed under the illegal strike case, the Court of Appeals held that he cannot receive benefits under Court of Appeals' Decision:

> The same is true with respect to petitioner Carlito Presentacion who does not appear to be covered by the assailed Labor Arbiter and NLRC decisions because he was not a union officer and was not dismissed under the assailed decisions, and who had sought redress through a separately-filed case.[97]

For respondents who were not found to have executed a quitclaim with respect to the benefits under the retrenchment program, the Court of Appeals ruled that any benefits received "as a result of the decisions [of the Labor Arbiter]"[98] must be deducted from the separation pay received under the illegal strike case. This is with respect to Ronie Sualog, Joel Calida, Roberto de Guzman, and Johnny Arinto:

> We grant the petition and declare the assailed decision null and void with respect to petitioners Ronie Sualog, Joel Calida, Roberto de Guzman and Johnny Arinto as the decision to dismiss them had been attended by grave abuse of discretion on the part of the Labor Arbiter and the NLRC as discussed above. In the exercise of our discretion, however, we stop short of ordering the reinstatement of these petitioners' [sic] in light of their obviously strained relationship with the Club resulting from the strike and in light as well of the restructuring of the Club's workforce since then. We confine our order therefore to the payment of the petitioners' full backwages and benefits from the time of their dismissal

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96 *Rollo*, p.55.
97 Id.
98 Id. at 56.

> up the finality of this Decision, and to the payment of petitioners' separation pay computed at one (1) month salary per year of service from the time they were hired up to the finality of this Decision. Any amount they might have received from the Club as a result of the decisions below can be deducted from the payments we hereby find to be due them.[99]

Since the Court of Appeals ordered that any benefit received from the illegal dismissal case be deducted from any benefit receivable under the Court of Appeals' Decision, there was no "double compensation" as petitioner Club Filipino, Inc. claims.

All told, the Decision in the illegal dismissal case was not *res judicata* on the illegal strike case. The NLRC correctly executed the Court of Appeals' Decision in the illegal strike case.

WHEREFORE, the Supplemental Motion for Reconsideration is **DENIED**. No further pleadings shall be entertained in this case. The Entry of Judgment issued in this case is **AFFIRMED**.

SO ORDERED.

MARVIC M.V.F. LEONEN
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

PRESBITERO J. VELASCO, JR.
Associate Justice

MARIANO C. DEL CASTILLO
Associate Justice

JOSE CATRAL MENDOZA
Associate Justice

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[99] Id.

ATTESTATION

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

ANTONIO T. CARPIO
Associate Justice
Chairperson, Second Division

CERTIFICATION

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

MARIA LOURDES P. A. SERENO
Chief Justice