Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

DELA ROSA LINER, INC. AND/OR ROSAURO DELA ROSA, SR. AND NORA DELA ROSA, Petitioners,	**G.R. No. 207286**
	Present:
- versus -	CARPIO, *J., Chairperson,* BRION, MENDOZA, PERLAS-BERNABE,* and LEONEN, *JJ.*
CALIXTO B. BORELA AND ESTELO A. AMARILLE, Respondents.	Promulgated: 29 JUL 2015

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DECISION

BRION, *J.*:

Before us is Dela Rosa Liner, *et al.'s* petition for review on *certiorari*[1] which seeks to annul the March 8, 2013 decision[2] and May 21, 2013 resolution[3] of the Court of Appeals in CA-G.R. SP No. 128188.

The Antecedents

The facts as set out in the CA decision are summarized below.

On September 23, 2011, **respondents** Calixto **Borela**, bus driver, and Estelo **Amarille**, conductor, filed separate complaints[4] (later consolidated) against **petitioners** Dela Rosa Liner, Inc., a public transport company, Rosauro Dela Rosa, Sr., and Nora Dela Rosa, for underpayment/non-

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* Designated as Acting Member in lieu of Associate Justice Mariano C. Del Castillo, per Special Order No. 2115 dated July 22, 2015.

1 *Rollo*, pp. 3-11; filed pursuant to Rule 45 of the Rules of Court.

2 Id. at 20-27; penned by Associate Justice Celia C. Librea-Leagogo and concurred in by Associate Justices Franchito N. Diamante and Melchor Q.C. Sadang.

3 Id. at 17-18.

4 CA *rollo*, pp. 23-26.

payment of salaries, holiday pay, overtime pay, service incentive leave pay, 13th month pay, sick leave and vacation leave, night shift differential, illegal deductions, and violation of Wage Order Nos. 13, 14, 15 and 16.

In a motion dated October 26, 2011, the petitioners asked the labor arbiter to dismiss the case for forum shopping. They alleged that on September 28, 2011, the CA 13th Division disposed of a similar case between the parties (***CA-G.R. SP No. 118038***) after they entered into a compromise agreement[5] which covered all claims and causes of action they had against each other in relation to the respondents' employment.

The respondents opposed the motion, contending that the causes of action in the present case are *different from* the causes of action settled in the case the petitioners cited.

The Rulings on Compulsory Arbitration

Labor Arbiter (*LA*) Danna A. **Castillon**, in an order[6] dated November 24, 2011, upheld the petitioners' position and dismissed the complaint on grounds of forum shopping. Respondents appealed the LA's ruling. On July 31, 2012, the National Labor Relations Commission (*NLRC*) 1st Division granted the appeal,[7] reversed LA Castillon's dismissal order, and reinstated the complaint.

The NLRC held that the respondents could not have committed forum shopping as there was no identity of causes of action between the two cases. The ***first complaint***, the NLRC pointed out, charged the petitioners with *illegal dismissal and unfair labor practice*; while the ***second complaint*** was based on the petitioners' alleged nonpayment/underpayment of their salaries and monetary benefits, and violation of several wage orders.

The petitioners moved for reconsideration, but the NLRC denied their motion, prompting them to file with the CA a petition for *certiorari*, for alleged grave abuse of discretion by the NLRC in: (1) holding that the respondents did not commit forum shopping when they filed the second complaint; and (2) disregarding respondents' quitclaim in relation to the compromise agreement in the first complaint.

The CA Decision

In its decision under review, the CA 15th Division denied the petition; it found no grave abuse of discretion in the NLRC ruling that the respondents did not commit forum shopping when they filed their second complaint. The NLRC likewise held that neither was the case barred by *res judicata* arising from the CA judgment in the first case.

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5 Id. at 31-32; Decision of CA 13th Division, pp. 1-2.

6 *Rollo*, pp. 37-39.

7 Id. at 29-33; decision penned by Presiding Commissioner Gerardo C. Nograles and concurred in by Commissioners Perlita B. Velasco and Romeo L. Go.

The appeals court explained that the first case involved the issues of whether respondents had been illegally dismissed and whether petitioners should be liable for unfair labor practice. The labor arbiter[8] dismissed the first complaint for lack of merit in his decision of November 6, 2008.

On the respondents' appeal against the LA ruling in this first case, the NLRC 6th Division rendered a decision on March 25, 2010, reversing the dismissal of the complaint. It awarded respondents back wages (₱442,550.00 for Borela and ₱215,775.00 for Amarille), damages (₱10,000.00 each in moral and exemplary damages for Borela), and moral and exemplary damages (₱25,000.00 each for Amarille), plus 10% attorney's fees for each of them.[9]

On the petitioners' motion for reconsideration of the NLRC ruling in the first complaint, however, the NLRC vacated its decision, and in its resolution of September 30, 2010, issued a new ruling that followed the LA's ruling, with modification. It awarded the respondents financial assistance of ₱10,000.00 each, in consideration of their long years of service to the company.

The respondents sought relief from the CA through a petition for *certiorari* (***CA-G.R. SP No. 118038***). Thereafter, the parties settled the case (involving the first complaint) amicably through the compromise agreement[10] adverted to earlier. Under the terms of this agreement, "*(t)he parties has* (sic) *agreed to terminate the case now pending before the Court of Appeals and that both parties further agree that no further action based on the same grounds be brought against each other, and this Agreement applies to all claims and damages or losses either party may have against each other whether those damages or losses are known or unknown, foreseen or unforeseen.*"

Based on this agreement, Borela and Amarille received from respondents ₱350,000.00 and ₱150,000.00, respectively, and executed a quitclaim. Consequently, the CA 13th Division rendered judgment in accordance with the compromise agreement and ordered an entry of judgment which was issued on September 28, 2011. ***In this manner, the parties resolved the first case.***

To go back to the present case ***CA-G.R. SP No. 128188***, which arose from the second complaint the respondents subsequently filed), the CA 15th Division upheld the NLRC's (1st Division) decision and ruled out the presence of forum shopping and *res judicata* as bars to the respondents' subsequent money claims against the petitioners. The petitioners moved for reconsideration, but the CA denied the motion in its resolution of May 21, 2013.

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8 Executive Labor Arbiter Generoso V. Santos.

9 *Rollo*, p. 25; CA Decision, p. 6, par. 2.

10 *Supra* note 5.

The Petition

The petitioners now ask the Court to nullify the CA judgment in CA-G.R. SP No. 128188 (arising from the second complaint), contending that the appellate court erred in upholding the NLRC ruling that there was no forum shopping nor *res judicata* that would bar the second complaint. They submit that "private respondents should be penalized and be dealt with more severely, knowing fully well that the same action had been settled and they both received a considerable amount for the settlement.[11]

The Respondents' Position

In their Comment[12] filed on September 4, 2013, the respondents pray for the denial of the petition for having been filed out of time and for lack of merit.

They argue that the petition should not prosper as it was belatedly filed. They claim that according to the petitioners' counsel herself, her law firm received a copy of the CA resolution of May 21, 2013, denying their motion for reconsideration on May 28, 2013, and giving them until June 12, 2013, to file the petition. The petition, they point out, was notarized only on June 13, 2013, which means that it was filed only on that day, or beyond the 15-day filing period.

On the substantive aspect of the case, respondents contend that their second complaint involved two causes of action: (1) their claim for sick leave, vacation leave, and 13th-month pay under the collective bargaining agreement of the company; and (2) the petitioners' noncompliance with wage orders since the year 2000 until the present.

They quote the NLRC's (1st Division) decision of July 31, 2012,[13] almost in its entirety, to support their position that they did not commit forum shopping in the filing of the second complaint and that they should be heard on their money claims against the petitioners.

The Court's Ruling

The procedural issue

We find the petition for review on *certiorari* **timely filed** pursuant to Rule 45, Section 2 of the Rules of Court.[14]

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11 *Rollo*, p. 7; Petition, p. 5, par. 5.

12 Id. at 41-46.

13 *Supra* note 5.

14 ***The petition shall be filed within fifteen (15) days from notice of the judgment or final order or resolution appealed from, or of the denial of the petitioner's motion for reconsideration filed in due time after notice of judgment x x x.***

The last day for filing of the petition, as respondents claim, fell on June 12, 2013, Independence Day, a legal holiday. In *Reiner Pacific International Shipping, et al., v. Captain Francisco B. Guevarra, et al.*,[15] the Court explained that under Section 1, Rule 22 of the Rules of Court, as clarified by A.M. 00-2-14 SC (in relation to the filing of pleadings in courts), when the last day on which a pleading is due falls on a Saturday, Sunday, or a legal holiday, the filing of the pleading on the next working day is deemed on time. The filing of the petition therefore on June 13, 2013, a working day, fully complied with the rules.

The merits of the case

The CA 15th Division committed no reversible error when it affirmed the NLRC ruling that the second complaint is not barred by the rule on forum shopping nor by the principle of *res judicata*. In other words, no grave abuse of discretion could be attributed to the NLRC when it reinstated the second complaint.

Contrary to the petitioners' submission, respondents' second complaint (CA-G.R. SP No.128188), a money claim, **is not a "similar case"** to the first complaint (CA-G.R. SP No. 118038). Thus, the filing of the second complaint did not constitute forum shopping and the judgment in the first case is not a *res judicata* ruling that bars the second complaint.

As the CA aptly cited, the elements of forum shopping are: (1) identity of parties; (2) identity of rights asserted and relief prayed for, the relief being founded on the same facts; and (3) identity of the two preceding particulars such that any judgment rendered in the other action will, regardless of which party is successful, amount to *res judicata* in the action under consideration.[16]

We concur with the CA that forum shopping and *res judicata* are not applicable in the present case. There is no identity of rights asserted and reliefs prayed for, and the judgment rendered in the previous action will not amount to *res judicata* in the action now under consideration.

There is also no identity of causes of action in the first complaint and in the second complaint. In *Yap v. Chua*,[17] we held that the test to determine whether 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; a judgment in the first case would be a bar to the subsequent action.

Under the circumstances of the case before us, sufficient basis exists for the NLRC's and CA's conclusions that there is no identity of causes of

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15 G.R. No. 157020, June 19, 2013, 699 SCRA 1, 7.

16 *Oliva-De Mesa v. Acero, Jr.*, G.R. No. 185064, January 16, 2012, 663 SCRA, 40, 47.

17 G.R. No. 186730, June 13, 2012, 672 SCRA 419.

action between the respondents' two complaints against the petitioners. The first complaint involved *illegal dismissal/suspension, unfair labor practice* with prayer for *damages* and *attorney's fees*; while the second complaint (the subject of the present appeal) involves *claims for labor standards benefits* — the petitioners' alleged violation of Wage Orders Nos. 13, 14, 15 and 16; nonpayment of respondents' sick and vacation leave pays, 13th-month pay, service incentive leave benefit, overtime pay, and night shift differential.

As the CA correctly held, the same facts or evidence would not support both actions. To put it simply, the facts or the evidence that would determine whether respondents were illegally dismissed, illegally suspended, or had been the subject of an unfair labor practice act by the petitioners are not the same facts or evidence that would support the charge of non-compliance with labor standards benefits and several wage orders. We thus cannot find a basis for petitioners' claim that "**the same action had been settled** x x x."[18]

Neither are we persuaded by petitioners' argument that "The Compromise Agreement covered all claims and causes of action that the parties may have against each other in relation to the private respondents' employment."[19] The compromise agreement had been concluded to terminate the illegal dismissal and unfair labor case then pending before the CA. While the parties agreed that no further action shall be brought by the parties against each other, they pointedly stated that they referred to actions **on the same grounds**. The phrase **same grounds** can only refer to the grounds raised in the first complaint and not to any other grounds.

We likewise cannot accept the compromise agreement's application "**to all claims and damages or losses either party may have against each other whether those damages or losses are known or unknown, foreseen or unforeseen.**"[20]

This coverage is too sweeping and effectively excludes any claims by the respondents against the petitioners, including those that by law and jurisprudence cannot be waived without appropriate consideration such as nonpayment or underpayment of overtime pay and wages.

In *Pampanga Sugar Development, Co., Inc., v. Court of Industrial Relations, et al.*,[21] the Court reminded the parties that while rights may be waived, the waiver must not be contrary to law, public policy, morals, or good customs; or prejudicial to a third person with a right recognized by law.[22] In labor law, respondents' claim for 13th-month pay, overtime pay, and statutory wages (under Wages Orders 13, 14, 15 and 16), among others,

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18 *Supra* note 11.
19 *Rollo*, p. 9; Petition, p. 7, par. 11.
20 *Supra* note 5, last sentence.
21 200 Phil. 204, 213 (1982).
22 CIVIL CODE OF THE PHILIPPINES, Article 6.

cannot simply be *generally* waived as they are granted for workers' protection and welfare; it takes more than a general waiver to give up workers' rights to these legal entitlements.

Lastly, the petitioners' insinuation, that the respondents are not and should not be entitled to anything more, because they had already "received a considerable amount for the settlement"[23] (₱350,000.00 for Borela and ₱150, 000.00 for Amarille), should be placed and understood in its proper context.

We note that in the illegal dismissal case where the compromise agreement took place, the NLRC 6th Division (acting on the appeal from the LA's ruling) awarded Borela ₱442,550.00 in backwages; ₱20,000.00 in moral and exemplary damages, plus 10% attorney's fees; and to Amarille ₱215,775.00 in back wages and ₱50,000.00 in moral and exemplary damages, plus 10% attorney's fees.[24]

Although the NLRC reconsidered these awards and eventually granted financial assistance of ₱10,000.00 each to Borela and Amarille,[25] it is reasonable to regard the amounts they received as a fair compromise in the settlement of the first complaint in relation with the ***initial*** NLRC award, indicated above, before its reconsideration. To be sure, the parties, **especially the respondents**, could not have considered the ₱10,000.00 financial assistance or their labor standards claims, particularly the alleged violation of the wage orders, as a factor in their effort to settle the case amicably. The compromise agreement, it should be emphasized, was executed on September 8, 2011,[26] while the labor standards complaint was filed only on September 23, 2011.[27]

For the reasons discussed above, **we find the petition without merit.**

WHEREFORE, premises considered, the petition for review on *certiorari* is **DISMISSED** for lack of merit. The assailed decision and resolution of the Court of Appeals are **AFFIRMED.**

SO ORDERED.

ARTURO D. BRION
Associate Justice

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23 Petition, p. 5, par. 5; *rollo*, p. 7.
24 CA Decision, p 6, par. 2; *rollo*, p. 25.
25 Id.
26 Id.
27 *Supra* note 4.

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

JOSE CATRAL MENDOZA
Associate Justice

ESTELA M. PERLAS-BERNABE
Associate Justice

MARVIC M.V.F. LEONEN
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, 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.

ANTONIO T. CARPIO
Acing Chief Justice