



Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated February 15, 2022 which reads as follows:*

**“G.R. No. 223263 (Lamberto M. Cabrera, Fausto Malit, Anthony Chan, et al. v. Coca-Cola Bottlers Philippines, Inc., or now known as Coca-Cola FEMSA-Philippines).** — In this Petition for Review on *Certiorari*<sup>1</sup> under Rule 45 of the Rules of Court, petitioners Lamberto M. Cabrera, *et.al.* question the Decision<sup>2</sup> of the Court of Appeals (CA) dated August 19, 2015, and Resolution<sup>3</sup> dated February 24, 2016, in CA-G.R. SP No. 136968, affirming the judgement of the National Labor Relations Commission (NLRC), which set aside the order of the Labor Arbiter (LA) to enforce the judgment award against Coca-Cola Bottlers Philippines, Inc. (CCBPI).

Petitioners contend that CCBPI’s petition for extraordinary remedy before the NLRC should not have been given due course due to the fatal defect in the Verification. On the merits, petitioners admit that the August 2005 Decision of the LA has long become final and executory. Nevertheless, they fault the CA for failing to recognize that their case is an exception to the rule on the immutability of judgments. The insolvency of their employer Cunanan transpired after the finality of the LA’s August 2005 Decision and they insist that this is a supervening event that justifies the modification of the judgment award.<sup>4</sup>

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<sup>1</sup> *Rollo*, pp. 9-46.

<sup>2</sup> *Id.* at 56-66. Penned by then CA Associate Jose C. Reyes, Jr. (a retired member of the Court), with the concurrence of Associate Justices Stephen C. Cruz and Ramon Paul L. Hernando (now a member of the Court).

<sup>3</sup> *Id.* at 55. Penned by then CA Associate Jose C. Reyes, Jr. (a retired member of the Court), with the concurrence of Associate Justices Stephen C. Cruz and Ramon Paul L. Hernando (now a member of the Court).

<sup>4</sup> *Id.* at 9-46, Petition for Review under Rule 45 of the Rules of Court.

In its Comment,<sup>5</sup> CCBPI maintains that the LA's August 2005 Decision, which resulted in the dismissal of the complaint against the beverage company, has clearly identified that the party solely liable for petitioners' illegal dismissal is Cunanan. The judgment having attained finality, the liability of Cunanan as to the reinstatement of petitioners and their claim for back wages cannot extend to CCBPI. As for the alleged lack of authority of Atty. Krisma K. Guyala to sign the verification in its Petition for extraordinary remedy, CCBPI states that the defect has been rectified by the subsequent submission of Atty. Guyala's authority to represent it.

We **deny** the petition for lack of merit.

First, on the alleged defective verification in CCBPI's petition for extraordinary remedy, suffice it to say that the strict interpretation of procedural requirements does not find application in cases before labor tribunals. Also, as found by both the NLRC and CA, the defect in the verification is not fatal because the belated submission of the proof of the representative's authority to sign on CCBPI's behalf constitutes substantial compliance with the rules.<sup>6</sup>

Next, we discuss the issue of the immutability of final judgments.

The Court has invariably held that a final judgment, order, or decision may not be validly altered, amended, or modified. Any insertion, change, or addition to the dispositive portion, even if intended to correct a perceived error in fact or law is prohibited as this violates the rule on the immutability of judgments.<sup>7</sup> The rule is of course subject to well-known exceptions, namely: the correction of clerical errors, *nunc pro tunc* entries, void judgments, and supervening events. In *Spouses Poblete v. Banco Filipino Savings and Mortgage Bank*,<sup>8</sup> the Court defined a clerical error as a typographical mistake or arithmetic miscalculation, while a *nunc pro tunc* order is that issued to make the record reflect a judicial action which has been omitted through inadvertence or mistake, provided that none of the parties will be prejudiced. Meanwhile, a void judgment is one that produces no legal or binding effect, hence, cannot acquire finality. Finally, the happening of a supervening event is one that takes place after the judgment becomes final that changes or affects the substance of the decision and render its execution inequitable.

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<sup>5</sup> Id. at 670-701.

<sup>6</sup> *Barangay Tongonan, Ormoc City v. Buaya*, 833 Phil. 723, 732 (2018).

<sup>7</sup> *Sameer Overseas Placement Agency, Inc. v. Gutierrez*, G.R. No. 220030, March 18, 2019.

<sup>8</sup> G.R. No. 228620, June 15, 2020.

In the January 23, 2014 Order,<sup>9</sup> the LA directed the issuance of a writ of execution for the Sheriff to implement its 2005 Decision against CCBPI. The order came after the LA was made aware of the insolvency of Cunanan during the execution of the judgment. This “supervening event” was considered by the LA as a compelling reason to allow petitioners’ to instead direct their claims for updated back wages against CCBPI. This cannot be sanctioned.

To properly invoke the exception of supervening event, two (2) conditions must be present: *first*, the fact constituting the supervening event must have transpired after the judgment has become final and executory, and *second*, it must be shown that the supervening event affects the substance of the judgment,<sup>10</sup> or creates a material change in the rights or relations of the parties that would render the execution unjust, impossible, or inequitable.<sup>11</sup>

For instance, in *Bani Rural Bank, Inc. v. De Guzman*,<sup>12</sup> there is a final and executory judgment finding the employees to have been illegally dismissed and awarding back wages and reinstatement. Later, the NLRC modified the reinstatement aspect of the final judgment by awarding separation pay because of the strained relations that developed between the employer and employees. There, the Court ruled that the existence of the strained relations was a supervening event that made the reinstatement order impossible, hence, justifies the modification of a final judgment.

Similarly, in *Lee v. De Guzman, Jr.*,<sup>13</sup> the Court considered the closure of a business as a supervening event that made compliance with the writ of execution impossible. The writ was issued ordering Delta Motors Corporation to deliver a 1983 Toyota Liftback to a buyer who already paid the required deposit. It then appears that Delta’s car manufacturing business had closed shop. Since the physical delivery of the car was rendered impossible, the Court ordered the manufacturer to pay damages instead.

In this case, however, while it is true that Cunanan’s cessation of business or financial distress happened after the finality of judgment, this supervening event did not change the substance of the

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<sup>9</sup> *Rollo*, pp. 765-781.

<sup>10</sup> *Mercury Drug Corp. v. Spouses Huang*, 817 Phil. 434, 454 (2017).

<sup>11</sup> *Remington Industrial Sales Corp. v. Maricalum Mining Corp.*, 761 Phil. 284, 294 (2015).

<sup>12</sup> 721 Phil. 84, 96-97 (2013).

<sup>13</sup> 265 Phil. 289, 294 (1990), as cited in *Chiquita Brands, Inc. v. Omelio*, 810 Phil. 497, 532-533 (2017).

2005 Decision – which declared Cunanan to be solely liable for the illegal dismissal of petitioners. Cunanan’s ensuing insolvency does not involve CCBPI, nor did it operate to transfer his liability to the latter. Considering that there is no employer-employee relationship between petitioners and CCBPI, the LA cannot validly order the CCBPI to reinstate petitioners and pay them back wages.<sup>14</sup>

Relative to this, *Sameer Overseas Placement Agency, Inc. v. Gutierrez*<sup>15</sup> teaches us that a judgment in a case for illegal dismissal declares the rights and obligations of the parties as against each other and the monetary award that flows therefrom, *i.e.*, the grant of separation pays and back wages. All these are but a necessary and legal consequence of the declaration of unlawful termination, thus:

x x x. A look at the dispositive portion of affirmative decisions rendered in illegal dismissal cases tells that it is always comprised of two distinct parts: *first* is the definitive finding of illegal dismissal and the incidental monetary awards sanctioned by law in such case and, *second*, is the assessment and computation of what the first part of the disposition has already established. The second part, being merely a computation of what the first part of the decision has already pronounced, may, by its nature, be re-computed.<sup>16</sup>

The finding of illegal dismissal and its legal consequences, which is the first component of the decision, can no longer be disturbed because it has been confirmed with finality. As for the second part, or the mathematical computation of the incidental monetary awards which are to be computed from the time of illegal dismissal up to actual reinstatement, this component may, of course, be re-computed or adjusted, subject to the threshold already decreed and defined in the first part of the judgment.<sup>17</sup>

Here, the order and writ of execution issued by the LA did not simply recompute the back wages to update the amount payable to petitioners. It substantially altered the final judgment in that it shifted Cunanan’s liability to CCBPI based on the latter’s alleged solidary liability as principal of Cunanan. This is impermissible. As correctly observed by the CA:

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<sup>14</sup> *Coca Cola Bottlers Phils., Inc. v. National Labor Relations Commission*, 366 Phil. 581, 587 (1999).

<sup>15</sup> G.R. No. 220030, March 18, 2019.

<sup>16</sup> *Id.*

<sup>17</sup> *Session Delights Ice Cream and Fast Foods v. Court of Appeals*, 625 Phil. 612, 627 (2010), as cited in *Bani Rural Bank, Inc. v. De Guzman*, 721 Phil. 84, 95 (2013).

x x x. The indigency or insolvency of Cunanan as petitioners' direct employer can never be considered as a supervening event that could warrant the substantial change in the tenor of the decision that has long been final and executory. The core issue as to who is liable to petitioners has been passed upon and considered and has undergone the regular process of appeal and judicial reviews until it became final and executory. To now hold private respondent CCBPI solidarily liable in the execution stage because of the inability of Cunanan to assume his liability is a disdainful insult to the whole judicial process, effectively depriving private respondent CCBPI of the due process of law. x x x.<sup>18</sup>

The LA's subsequent order and writ created a pernicious cycle of resurrecting issues that were already resolved when the judgment dismissing the complaint against CCBPI and declaring Cunanan to be solely liable to petitioners has attained finality. The action transgresses the fundamental principle of immutability of a final judgment which the Court cannot allow. Surely, a final and executory judgment entitles the winning party to the satisfaction of the judgment through a writ of execution. Yet, the issuance of a writ of execution is only ministerial in nature such that courts are barred from modifying the rights and obligations of the parties that were already adjudicated.<sup>19</sup> The principle is anchored on sound public policy and practical considerations which dictate that every litigation must come to an end.<sup>20</sup>

Needless to state, the implementation of a final judgment is not a matter of choice and a writ of execution must strictly conform to the dispositive portion of the judgment, as promulgated.<sup>21</sup> When the dispositive portion of a decision is clear and unequivocal, it must be strictly executed according to its tenor,<sup>22</sup> since the writ of execution derives its validity from the judgment it is supposed to enforce. Considering that the LA's order to proceed against CCBPI for the satisfaction of the judgment award significantly varied or altered the core of the final decision, the writ of execution issued pursuant to the order is void.<sup>23</sup>

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<sup>18</sup> *Rollo*, pp. 64-65.

<sup>19</sup> *Mercury Drug Corp. v. Spouses Huang*, 817 Phil. 434, 445 (2017).

<sup>20</sup> *Spouses Poblete v. Banco Filipino Savings and Mortgage Bank*, G.R. No. 228620, June 15, 2020.

<sup>21</sup> *UPSI Property Holdings, Inc. v. Diesel Construction Co., Inc.*, 740 Phil. 655, 669 (2014).


<sup>22</sup> *Montemayor v. Millora*, 670 Phil. 209, 222 (2011).

<sup>23</sup> *Chiquita Brands, Inc. v. Omelio*, 810 Phil. 497, 532 (2017).

**FOR THESE REASONS**, the petition is **DENIED**. The Decision of the Court of Appeals dated August 19, 2015, and Resolution dated February 24, 2016, in CA-G.R. SP No. 136968, are **AFFIRMED**.

**SO ORDERED.”**

**By authority of the Court:**

  
**LIBRADA C. BUENA**  
Division Clerk of Court

by:

**MARIA TERESA B. SIBULO**  
Deputy Division Clerk of Court  
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