



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 1, 2023 which reads as follows:

“G.R. No. 250312 (*Peninsula Employees Union-NUWHRAIN v. Manila Peninsula Hotel, Inc.*). – This Petition for Review on *Certiorari*¹ seeks to reverse and set aside the Decision² dated 25 April 2019 and the Resolution³ dated 30 October 2019 of the Court of Appeals (CA) in CA-G.R. SP No. 152999. The assailed Decision and the Resolution modified the Decision⁴ dated 07 April 2017 and the Resolution⁵ dated 15 September 2017 rendered by the Office of the Voluntary Arbitrator in AC-685-RCMB-NCR-LVA-017-03-06-2016.

Antecedents

The petition emanated from the complaint filed by petitioner Peninsula Employees Union-NUWHRAIN (PEUN) against respondent Manila Peninsula Hotel (MPH) for the alleged illegal suspension of PEUN’s member, Leonell Amores (Amores) and the non-implementation of a Collective Bargaining Agreement (CBA) benefit for bereaved employees.⁶

Re: Suspension of Leonell Amores

¹ *Rollo*, pp. 3-9.

² *Id.* at 10-21; penned by Associate Justice Ruben Reynaldo G. Roxas and concurred in by Associate Justices Marlene Gonzales-Sison and Victoria Isabel A. Paredes.

³ *Id.* at 22-23; penned by Associate Justice Ruben Reynaldo G. Roxas and concurred in by Associate Justices Marlene Gonzales-Sison and Victoria Isabel A. Paredes.

⁴ *Id.* at 24-31; penned by Voluntary Arbitrator Bayani G. Diwa.

⁵ *CA rollo*, pp. 63-64; penned by Voluntary Arbitrator Bayani G. Diwa.

⁶ *Rollo*, p. 10.

PEUN alleged that Amores is employed as a fitness instructor in MPH's fitness center since 07 July 2010. Prior to the renovation of the fitness center in 2011, hotel guests used to be provided with keys attached to a numbered bracelet, which corresponds to the number of gym lockers. In the event that a guest misplaces his or her locker key/bracelet, it is the manager's role to open the locker in front of the guest, if requested.⁷

Upon the hotel's renovation in 2011, the locks of the lockers were changed from the traditional locks to digital locks, wherein guests will have to key in digit codes to open the lockers. The duty manager maintains control of the master code used in decoding the digital locks whenever a guest forgets his or her locker code. Eventually, the authority to decode the lockers was devolved upon the fitness instructors and spa attendants. Despite this change, MPH did not provide a written policy as regards the proper procedure in decoding digital locks.⁸

PEUN narrated that on 28 September 2015, Amores was designated at the pool area. A certain guest by the name of Mr. Nievera (Nievera) came to register in the fitness center. At around 1:30 to 2:00 p.m., Nievera asked Amores to open Locker No. 106. Since Amores could not find the locker room attendant, he opened the said locker.⁹

On 29 September 2015, Amores received a Notice to Explain regarding his alleged failure to observe the proper procedure in securing the identity of the guest before decoding Locker No. 106. He was directed to explain why he should not be penalized for a possible violation of the Hotel's Code of Discipline, particularly under Serious Offense 3.42 - Negligence in the performance of duty resulting to disruption in operations, losses or damages to the Hotel, property of guests, or of co-employees. In response thereto, PEUN submitted his written explanation.¹⁰

MPH issued a memorandum on 06 October 2015 informing Amores that an administrative investigation will be conducted. Thereafter, in a Notice of Disciplinary Action dated 24 November 2015, MPH found Amores guilty of negligence in the performance of his duties and imposed upon him the penalty of suspension for 30 days without pay.¹¹

PEUN claimed that MPH abused its discretion when the latter suspended Amores for 30 days without pay. As per the Hotel House Code of Discipline 2011, the penalty for a serious offense is suspension not exceeding 15 days only. PEUN also maintained that MPH's policy on the use of the lockers was not clear nor explained to the employees for their guidance. Thus,

⁷ Id. at 12.

⁸ Id.

⁹ Id.

¹⁰ Id. at 11, 12.

¹¹ Id.

Amores merely followed what was perceived to be the regular process in opening lockers.¹²

For its part, MPH alleged that before the regular staff were granted the authority to open lockers, they first underwent training with respect to the proper procedure on how and when they should open lockers of a member or guest. The gym instructors, receptionists, and spa attendants were instructed not to open lockers without first verifying the identity of the person and without satisfactory proof that the particular locker belongs to him/her. Amores was one of the regular staff who were trained for the said purpose.¹³

MPH claimed that on 28 September 2015, it received a complaint from a guest anent the alleged loss of a Rolex watch, which was kept inside one of the gym's lockers. In the course of MPH's investigation, it was established that Amores immediately unlocked Locker No. 106 without even verifying the identity of the person who requested to open it, thereby violating MPH's standard operating procedure. As it turned out, Locker 106 was assigned to a certain Mr. Stephen Lloyd (Lloyd), and that the person who requested to open said locker was a thief.¹⁴

In view thereof, MPH issued a Notice to Explain to Amores, who submitted a written explanation where he denied the charge against him but apologized for whatever shortcomings he may have committed. Meanwhile, on 02 October 2015, MPH secured a Police Blotter from the Makati Police Station to help it in finding the thief.¹⁵

MPH conducted an administrative investigation and found Amores guilty of negligence in the performance of his duties. It imposed upon him the penalty of suspension for 30 days without pay. Thereafter, on 23 December 2015, MPH paid Lloyd the amount of ₱360,000.00 as replacement for the latter's Rolex watch.¹⁶ Considering this, MPH argued that it merely exercised its management prerogative to instill discipline in its employees. As such, its action is legal under the circumstances.¹⁷

Re: Bereavement leave

MPH and PEUN entered into a CBA covering the period of 16 December 2014 to 15 December 2016. One of the provisions therein pertains to the grant of bereavement leave with pay to all regular rank-and-file

¹² Id.

¹³ Id.

¹⁴ Id. at 11, 13.

¹⁵ Id. at 13.

¹⁶ Id.

¹⁷ Id.

employees in case of death of parents, spouse, dependent children, brother or sister, or parents-in-law.¹⁸

The issue arose when MPH denied the applications for bereavement leave filed by its employees, Misters Edgar Arevalo (Arevalo) and Jefferson Rabaria (Rabaria), in view of their admission that they will not attend the wake of their deceased relatives.¹⁹

PEUN claimed that MPH abused its authority and discretion in the implementation of the CBA. It insisted that the provision on bereavement leave does not state that the employee should personally attend the burial of his or her deceased relative as a condition for granting bereavement leave. The CBA simply stated that regular employees are entitled to bereavement leave in case of death of the persons enumerated therein, subject to prior notice and presentation of proof of relationship and death certificate.²⁰

On the other hand, MPH asserted that there is an implicit understanding between the parties that bereavement leave will be granted only if the concerned employee will personally attend the wake of his or her deceased relative. MPH argued that said understanding was confirmed when its employee who previously availed himself or herself of the bereavement leave subsequently submitted his or her Certificate of Attendance. MPH further asseverated that it denied the applications for bereavement leave filed by Arevalo and Rabaria because they admitted that they will not personally go to the wake of their deceased relatives.²¹

Ruling of the Voluntary Arbitrator

In a Decision dated 07 April 2017, the Voluntary Arbitrator (VA) ruled in favor of PEUN, *viz.*:

WHEREFORE, PREMISES CONSIDERED, judgment is hereby rendered in favor of the Complainant and against Respondent:

1) **DECLARING** Messrs. EDGAR AREVALO and JEFFERSON RABARIA and all other CBA covered employees similarly situated entitle to bereavement leave with pay as provided under Section 5, Article XI of the CBA. Accordingly, the vacation leave granted is hereby **ORDERED** credited to their respective bereavement leaves.

2) **ORDERING** Mr. Leonell Amores' thirty (30) days suspension unwarranted and arbitrary and stricken-off from his 201 file.

¹⁸ Id.

¹⁹ Id. at 14.

²⁰ Id.

²¹ Id.

- 3) **DENY** Complainant's prayer for Attorney's fee for lack of merit.

SO ORDERED.²²

The Voluntary Arbitrator held that MPH failed to adduce evidence that Amores committed serious negligence. The Voluntary Arbitrator found merit in PEUN's contention that the 30-day suspension imposed upon Amores was too harsh and that a final written warning with suspension not exceeding 15 days would have sufficed.²³

Anent the issue of the bereavement leave, the Voluntary Arbitrator ruled that the availment thereof is subject only to prior notice and presentation of proof of relationship and death certificate. There is nothing stated in the CBA provision on bereavement leave which requires the employee concerned to personally attend the wake of his deceased relative and submit a certificate of attendance.²⁴

MPH sought reconsideration of the Voluntary Arbitrator's Decision,²⁵ but the same was denied in a Resolution²⁶ dated 15 September 2017. Hence, MPH appealed with the CA.²⁷

Ruling of the CA

On 25 April 2019, the CA partially granted the petition, to wit:

WHEREFORE, the petition for review is **PARTIALLY GRANTED**. The Decision dated 7 April 2017 is **MODIFIED** such that the suspension of Leonell Amores is declared valid only for the first 15 days. Petitioner is ordered to pay Amores' wages for the period in excess of his valid suspension. With respect to the grant of bereavement leave under Section 5, Article XI of the CBA, the same is hereby declared subject to condition that the concerned employee will personally attend the wake of his deceased relative.

SO ORDERED.²⁸

The CA held that there is substantial evidence to establish Amores' negligence in discharging his duties. The CA underlined that based on

²² Id. at 31.

²³ Id. at 27-28.

²⁴ Id. at 14-15, 28-31.

²⁵ Id. at 24-31.

²⁶ CA *rollo*, pp. 63-64

²⁷ *Rollo*, at 15.

²⁸ Id. at 20-21.

Amores' Affidavit, Amores immediately opened Locker No. 106 without first ascertaining the identity of the person, who subsequently turned out to be a thief. That Nievera registered in the reception desk of the fitness center does not justify Amores' act of opening Locker No. 106 without first verifying if the said locker was the one assigned to the requesting person.²⁹ Even assuming that there is no written policy or special training on the proper procedure for the opening of the lockers, Amores should have exercised ordinary diligence - which he failed to do. In view of Amores' negligence, MPH has the right to impose the appropriate penalty for said infraction.³⁰

However, the CA ruled that Amores' suspension was valid only for the first 15 days pursuant to the House Code of Discipline's Table of Infactions and Offenses. As such, he is entitled to his wages for the period in excess of the 15-day suspension.³¹

Anent the issue of bereavement leave, the CA held that pursuant to the language of the CBA, the employee who intends to avail of the bereavement leave must personally attend the wake of his or her deceased relative. Indeed, the allowable number of days of bereavement leave to be granted depends on the place where the wake is to be held. Verily, the parties took into account the concerned employee's traveling time from his or her location to the place of the wake. Hence, the grant of bereavement leave is subject to the condition that the employee will personally attend the wake to pay his/her last respects to his/her deceased relative; otherwise, the parties should have agreed upon a fixed period irrespective of where the wake is to take place.³²

As such, MPH was justified in denying the bereavement leave applications filed by Arevalo and Rabaria inasmuch as they admitted that they will not go to the wake of their deceased relatives.³³

The CA denied PEUN's Motion for Reconsideration³⁴ in its Resolution³⁵ dated 30 October 2019. Hence, this Petition for Review on *Certiorari*.³⁶

²⁹ Id. at 17.

³⁰ Id.

³¹ Id. at 18.

³² Id. at 20.

³³ Id.

³⁴ Id. at 351-353.

³⁵ Id. at 22-23.

³⁶ Id. at 3-9.

Issue

Aggrieved, PEUN is now before the Court raising the sole issue of whether or not the CA erred in interpreting Article 11, Section 5 of the CBA as regards the requirement for the availment of bereavement leave.³⁷

Ruling of the Court

The petition is meritorious.

PEUN insists that the CA should have enforced the CBA on its face without stipulating on the parties' real intention.³⁸

We agree.

A CBA is the negotiated contract between a legitimate labor organization and the employer concerning wages, hours of work, and all other terms and conditions of employment in a bargaining unit.³⁹ It is a fundamental doctrine in labor law that the CBA is the law between the contracting parties, and compliance therewith is mandated by the express policy of the law.⁴⁰

As a contract and the governing law between the parties, the general rules of statutory construction apply in the interpretation of its provisions.⁴¹ Thus, if the terms of a CBA are clear and there is no doubt as to the intention of the contracting parties, the literal meaning of its stipulation shall prevail. Moreover, the CBA must be construed liberally rather than narrowly and technically and the Court must place a practical and realistic construction upon it. Any doubt in the interpretation of any law or provision affecting labor should be resolved in favor of labor.⁴²

³⁷ Id. at 5.

³⁸ Id. at 6.

³⁹ See *Coca-Cola Bottlers Philippines, Inc. v. Iloilo Coca-Cola Plant Employees Labor Union*, 844 Phil. 696 (2018) and *Lepanto Ceramics, Inc. v. Lepanto Ceramics Employees Association*, 627 Phil. 691, 700 (2010).

⁴⁰ See *Coca-Cola Bottlers Philippines, Inc. v. Iloilo Coca-Cola Plant Employees Labor Union*, supra; *Benson Industries Employees Union-ALU-TUCP v. Benson Industries, Inc.*, 740 Phil. 670, 679 (2014); and *Philippine Journalists, Inc. v. Journal Employees Union*, 710 Phil. 94, 104 (2013).

⁴¹ See *National Union of Workers in Hotel Restaurant and Allied Industries v. Philippine Plaza Holdings, Inc.*, 739 Phil. 407, 423 (2014); *TSPIC Corp. v. TSPIC Employees Union*, 568 Phil. 774, 784 (2008).

⁴² See *Supreme Steel Corp. v. Nagkakaisang Manggagawa ng Supreme Independent Union*, 662 Phil. 66, 86 (2011).

Verily, the force and effect of the CBA is that of a law, requiring that parties thereto yield to its provisions; otherwise, the purpose for which the same was executed would be rendered futile.⁴³

With the following principles in mind, We agree with the Voluntary Arbitrator and PEUN that Section 5, Article XI of the CBA does not require the employee to attend the wake of the deceased relative.

Section 5, Article XI of the CBA reads:

Section 5. Bereavement Leave

All regular employees shall be entitled to bereavement leave with full pay per year (non-cumulative) in case of death of parents, spouse, dependent children, brother or sister and parents-in-law, subject to prior notice, presentation of proof of relationship and death certificate, as follows:

- a. If deceased is in Metro Manila - 4 working days
- b. If deceased is outside MM - 6 working days
- c. If deceased is outside Luzon - 8 working days

In the event of death of parents, spouse and children, an additional one (1) day bereavement leave with full pay shall be given to the employees.⁴⁴

To be sure, the provisions of the CBA are clear and unambiguous. A plain reading of the CBA shows that the only requisites for the entitlement of an employee to bereavement leave are the following: (1) death of relatives listed under the above provision; (2) prior notice; (3) presentation of proof of relationship; and (4) death certificate. Thus, for an employee to avail of the bereavement leave, he or she need not personally attend the wake or funeral of his or her deceased relative.

The provision being clear, it is not susceptible of any other interpretation. MPH must thus yield to the pertinent CBA provision and may not require the employee's personal attendance to the wake as a requisite to availment of bereavement leave based on an alleged "implicit understanding" between the employer and employees. The mere requirement of a Certificate of Attendance under MPH's standard operating procedure does not evince an intent on the part of the union and the company; if anything, it is a rule imposed by the company on the union.


⁴³ *Coca-Cola Bottlers Philippines, Inc. v. CCBPI Sta. Rosa Plant Employees Union*, G.R. No. 197494, 25 March 2019.

⁴⁴ *Rollo*, p. 61.

WHEREFORE, the petition is hereby **GRANTED**. The Decision dated 25 April 2019 and the Resolution dated 30 October 2019 of the Court of Appeals in CA-G.R. SP No. 152999 are **REVERSED and SET ASIDE**.

SO ORDERED.”

By authority of the Court:


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

by:

MARIA TERESA B. SIBULO
Deputy Division Clerk of Court

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Atty. Levy Edwin C. Ang
Counsel for Petitioner
11/F, ETY Building, 484 Q. Paredes Street
Binondo, 1006 Manila

Court of Appeals (x)
Manila
(CA-G.R. SP No. 152999)

NOGRALES LAW OFFICES
Counsel for Respondent
22nd Floor, West Tower
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
1605 Pasig City

NATIONAL CONCILIATION
AND MEDIATION BOARD
Ground Floor, DOLE Building, Intramuros
1002 Manila
(Case No. AC-685-RCMB-NCR-LVA-017
-03-06-2016)

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