



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

NOTICE

Sirs/Mesdames

Please take notice that the Court, Third Division, issued a Resolution dated March 29, 2023, which reads as follows:

“G.R. No. 227573 (*Philippine National Bank v. Goldelio G. Rivera, et al.*) – Before the Court is a Petition for Review on *Certiorari*¹ dated December 5, 2016 filed by Philippine National Bank (PNB), assailing the Decision² dated June 16, 2016 and the Resolution³ dated October 13, 2016 of the Court of Appeals (CA) in CA-G.R. SP No. 117697, which affirmed the Decision⁴ dated May 15, 2008 of the Regional Trial Court (RTC) of Pasay City, Branch 112.

Factual Antecedents

As summarized by the CA, the facts are as follows:

On April 11, 2006, Goldelio G. Rivera, *et al.* (respondents) filed before the RTC a class suit by way of a petition for mandamus against PNB and its Board of Directors. In their petition, respondents, comprised of 60 incumbent officers and rank and file employees, as well as 15 former employees of PNB, sought the payment of their Cost of Living Allowance (COLA), back pay, and amelioration allowance accruing from November 1, 1989 up to May 26, 1996, or until their separation from service, whichever is earlier.⁵

According to respondents, prior to the enactment of Republic Act (R.A.) No. 6758, otherwise known as the “Salary Standardization Law,” they were receiving allowances and COLA equivalent to 40% of their basic salary, or ₱300.00, whichever is higher. However, after the enactment of R.A. No. 6758 and the consequent issuance of Department of Budget and Management-Corporate Compensation Circular (DBM-CCC) No. 10, PNB discontinued the payment of their COLA and other allowances,

¹ *Rollo*, pp. 25-47.

² *Id.* at 7-19. Penned by Associate Justice Sesinando E. Villon, with Associate Justices Rodil V. Zalameda (now a Member of this Court) and Pedro B. Corales, concurring.

³ *Id.* at 20-23.

⁴ *Id.* at 48-56. Penned by Judge Jesus B. Mupas.

⁵ *Id.* at 8-9.

notwithstanding the Court's pronouncement in *De Jesus v. Commission on Audit*⁶ (*De Jesus case*) that DBM-CCC No. 10 is ineffective and unenforceable due to its non-publication.⁷

On June 15, 2006, PNB filed its Comment, where it alleged that respondents' COLA and other allowances had already been integrated into their basic salary, even prior to the issuance of DBM-CCC No. 10. Thus, PNB prayed for the dismissal of respondents' petition.⁸

In its Order dated July 7, 2006, the RTC directed the parties to file their respective Memoranda, after which, the case would be deemed submitted for resolution. PNB asked for additional time within which to file its Memorandum, which request was granted by the RTC, thereby giving PNB until August 29, 2006 within which to file its Memorandum.⁹

On August 25, 2006, PNB filed a Manifestation and Motion praying for a conference and/or presentation of evidence to thresh out the factual issues raised by respondents in their Memorandum. Nonetheless, instead of pursuing its motion for conference and presentation of evidence, PNB filed a Memorandum¹⁰ praying that the petition be dismissed.¹¹

Still, on November 28, 2006, the RTC issued an Order setting a conference for the case on December 7, 2006. Several other conferences were scheduled but PNB's counsel failed to attend the same. Thus, respondents moved that their petition be submitted for resolution.¹²

The Ruling of the RTC

Finally on, May 15, 2008, the RTC rendered its Decision,¹³ the dispositive portion of which reads:

WHEREFORE, premises considered, judgment is hereby rendered in favor of petitioners and against respondent Philippine National Bank, and ordering respondent Philippine National Bank to pay petitioners and its former and incumbent employees and officers the back pay of their cost of living allowance (COLA) and special amelioration allowance of 40% and 10% respectively of their basic salary covering the period of July 1, 1989 to May 26, 1996 or up to their separation from service whichever comes first and for respondent PNB to pay petitioners and its former and incumbent employees the sum equivalent to 10% of the back pay of their COLA and amelioration allowance as and by way of attorney's fees without pronouncement as to cost.

⁶ 355 Phil. 584 (1998).

⁷ *Rollo*, p. 9.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.* at 57-78.

¹¹ *Id.* at 10.

¹² *Id.*

¹³ *Id.* at 48-56.

SO ORDERED.¹⁴

In the Decision, the RTC pronounced that the Office of the Government Corporate Counsel (OGCC) issued Opinion Nos. 062 and 154, series of 2002, which provide that employees in government owned and controlled corporations (GOCCs) are entitled to the payment of back pay of their COLA and amelioration allowance, whether or not the COLA and amelioration allowance have been integrated in their standardized salaries.¹⁵

The RTC also took notice of the Court's ruling in the *De Jesus case*, and the case of *Philippine Ports Authority (PPA) Employees hired after July 1, 1989 v. Commission on Audit*¹⁶ (*PPA case*), which expressly ruled that DBM-CCC No. 10's non-publication meant that the COLA and other allowances were not effectively integrated in the standardized salaries of GOCC employees, and thus, these employees are entitled to receive such allowances during the nullity and unenforceability of DBM-CCC No. 10. The RTC then applied the doctrine of *stare decisis*, considering that all the facts and circumstances between these two cases and the instant case are substantially the same, and granted respondents' petition for mandamus.¹⁷

Aggrieved, PNB filed a Motion for Inhibition and a Motion for Reconsideration, but the same were both denied by the RTC. PNB then filed a Notice of Appeal.¹⁸

On January 15, 2009, however, the RTC issued an Order recalling and setting aside its denial of PNB's motion for reconsideration, to encourage a possible amicable settlement between the parties. PNB's notice of appeal was thus set aside, and the case was set anew for conference on February 10, 2009.¹⁹

During the conference, the parties agreed to submit the case for mediation to expedite its resolution. However, the mediation efforts failed as PNB refused to enter into a compromise agreement, preferring that the petition be decided by the court. The RTC then issued its Order dated May 22, 2009, setting the case for pre-trial on August 12, 2009.²⁰

On November 9, 2009, respondents filed a Manifestation and Motion, stating therein their objection to the setting of the case for pre-trial. They argued that conducting a pre-trial would be irregular since the RTC has already rendered a decision in the case, and that having more hearings will only prolong and exacerbate their agony and suffering. Moreover,

¹⁴ Id. at 56.

¹⁵ Id. at 49.

¹⁶ 506 Phil. 382 (2005).

¹⁷ *Rollo*, pp. 55-56.

¹⁸ Id. at 11.

¹⁹ Id.

²⁰ Id.

respondents moved that the records of the case be elevated to the CA for PNB's appeal.²¹

On November 26, 2010, the RTC issued an Order, recalling and setting aside its previous ruling, and reinstating PNB's notice of appeal, thus:

WHEREFORE, premises considered, the instant Motion is hereby Granted. Accordingly, the Order dated January 15, 2009 is recalled and set aside and the Notice of Appeal of defendant PNB is hereby reinstated.

Let the entire records of this case be transmitted to the Court of Appeals for purposes of appeal.

SO ORDERED.²²

The Ruling of the CA

On July 9, 2015, the CA issued a Resolution requiring PNB to file its Memorandum of Appeal. After moving to suspend the period within which to file its memorandum of appeal, PNB finally filed the same on September 1, 2015, raising the following issues:

- I. **THE FINDINGS OF THE COURT A QUO WERE GROUNDLESS AS THEY WERE NOT SUPPORTED BY THE PARTIES' EVIDENCE (OR ANY EVIDENCE, FOR THAT MATTER AND BY THE APPLICABLE LAWS AND JURISPRUDENCE).**
- II. **THE COURT A QUO ERRED IN APPLYING THE MAXIM – STARE DECISIS ET NO QUIETA MOVERE – AS THERE ARE VERY REAL, YET STILL UNSETTLED, FACTUAL AND LEGAL DIFFERENCES BETWEEN PHILIPPINE PORTS AUTHORITY EMPLOYEES HIRED AFTER JULY 1, 1989 V. COMMISSION ON AUDIT (G.R. NO. 160398, SEPTEMBER 6, 2005) WHICH APPELLEES-PETITIONERS CITE, AND THE MANDAMUS SUIT THAT APPELLEES-PETITIONERS FILED AGAINST PNB.**
- III. **APPELLEES-PETITIONERS THEREFORE FAILED TO *IPSO FACTO* ESTABLISH A CLEAR LEGAL RIGHT TO WARRANT THE ASSAILED MANDAMUS DECISION THAT ORDERS TO COMPEL PNB TO PAY THEM ADDITIONAL COLA AND AMELIORATION ALLOWANCE WHICH ALLEGEDLY ACRUED FROM NOVEMBER 1, 1989 TO MAY 26, 1998.²³**

²¹ Id. at 11-12.

²² Id. at 12.

²³ Id. at 13

On June 16, 2016, the CA rendered its Decision,²⁴ affirming the RTC Decision. The CA fully agreed with the RTC's findings that there is sufficient basis for respondents' entitlement to the payment of COLA and other allowances, applying the doctrine of *stare decisis*, in view of the Court's rulings in the *De Jesus case* and the *PPA case*, as well as the opinions of the OGCC.²⁵ The CA also noted that the factual findings of the RTC are accorded great weight and respect when they are supported by substantial evidence.²⁶

In view of all the foregoing, the CA found that the petition for mandamus was correctly granted by the RTC given that respondents were able to prove that they had acquired vested rights on the payment of their monetary benefits, and it was a ministerial duty upon PNB to satisfy such claims.²⁷

Thereafter, PNB filed a Motion for Reconsideration, but the same was denied by the CA in its Resolution²⁸ dated October 13, 2016.

The Instant Petition

Aggrieved by the CA's adverse rulings, PNB filed the instant petition,²⁹ raising the following issue:

The Court of Appeals committed a grave error of law in upholding the factual findings of the trial court a quo, when the trial court a quo actually had no findings of fact, other than its mere assessment of the parties' pleadings. There were no other means, sanctioned by the Rules, by which the trial court a quo had ascertained in its judicial proceedings the truth respecting to the matters of fact in this case. Simply put, there was no evidence presented, as neither party filed a Formal Offer of Evidence, much less did the trial court rule on the admissibility and weight of any document or object offered as evidence.³⁰

The PNB, thus, prayed that the case be dismissed, or in the alternative, be remanded to the RTC for the conduct of appropriate proceedings.³¹

The Ruling of the Court

The petition is devoid of merit.

At the outset, it must be emphasized that the instant controversy arose from respondents' filing of a petition for mandamus. The parameters in the

²⁴ Id. at 7-19.
²⁵ Id. at 15-17.
²⁶ Id. at 18.
²⁷ Id.
²⁸ Id. at 21.
²⁹ Id. at 25-47.
³⁰ Id. at 36.
³¹ Id. at 42.

issuance of a writ of mandamus is discussed in Section 3, Rule 65 of the Rules of Court, which provides:

Section 3. *Petition for mandamus.* – When any tribunal, corporation, board, officer or person **unlawfully neglects the performance of an act which the law specifically enjoins as a duty resulting from an office, trust, or station, or unlawfully excludes another from the use and enjoyment of a right or office to which such other is entitled**, and there is no other plain, speedy and adequate remedy in the ordinary course of law, the person aggrieved thereby may file a verified petition in the proper court, **alleging the facts with certainty and praying that judgment be rendered commanding the respondent, immediately or at some other time to be specified by the court, to do the act required to be done to protect the rights of the petitioner**, and to pay the damages sustained by the petitioner by reason of the wrongful acts of the respondent.

The petition shall also contain a sworn certification of non-forum shopping as provided in the third paragraph of section 3, Rule 46. (Emphases supplied)

In *Calim v. Guerrero*,³² the Court expounded that mandamus is employed to compel the performance of a ministerial duty, thus:

It is elementary that *mandamus* applies as a remedy only where petitioner's right is founded clearly on law and not when it is doubtful. In varying language, the principle echoed and reechoed is that **legal rights may be enforced by *mandamus* only if those rights are well-defined, clear and certain**. A writ of *mandamus* can be issued only when petitioner's legal right to the performance of a particular act which is sought to be compelled is clear and complete. **A clear legal right is a right which is indubitably granted by law or is inferable as a matter of law**. *Mandamus*, therefore, is employed to compel the performance, when refused, of a **ministerial duty**, this being its chief use and not a discretionary duty.³³ (Emphases supplied)

Further, in *Lihaylihay v. Tan*,³⁴ the Court enumerated the circumstances when a writ of mandamus may issue, to wit:

A writ of *mandamus* may issue in either of two (2) situations: first, “when any tribunal, corporation, board, officer or person unlawfully neglects the performance of an act which the law specifically enjoins as a duty resulting from an office, trust, or station”; second, “when any tribunal, corporation, board, officer or person . . . unlawfully excludes another from the use and enjoyment of a right or office to which such other is entitled.”

The first situation demands a **concurrence between a clear legal right accruing to petitioner and a correlative duty incumbent upon**

³² 546 Phil. 240 (2007).

³³ Id.

³⁴ 836 Phil. 400 (2018).

respondents to perform an act, this duty being imposed upon them by law.³⁵ (Emphasis supplied)

In this case, respondents filed a petition for mandamus to compel PNB to pay them their COLA and other allowances, which were held from them from November 1, 1989 up to May 26, 1996 or their separation of service. Respondents anchor their right to receive the same from, among others, the Court's pronouncements in the *De Jesus case* and the *PPA case*. Respondents explained that PNB has a duty to satisfy their claims, considering that they are similarly situated to the parties and share similar factual circumstances as those in the *De Jesus case* and the *PPA case*.

Meanwhile, in refusing to recognize that it has a ministerial duty to satisfy respondents' claims, PNB argued that the *De Jesus case* and the *PPA case* cannot be made to apply, because it had already integrated the payment of COLA and other allowances in respondents' standardized salaries. As such, PNB averred that it cannot be compelled *via* a petition for mandamus to pay respondents' claims.

After a perusal of the records of the case, the Court finds that respondents were able to sufficiently establish their entitlement to the writ of mandamus.

As ruled by both the RTC and the CA, the *De Jesus case* and the *PPA case* share the same factual circumstances to the instant case. Particularly, both cases and the instant case involve the issue of DBM-CCC No. 10's non-publication. Moreover, the *De Jesus case* and the *PPA case*, as well as the instant case, likewise, relate to employees' claim for the payment of allowances during the period in which DBM-CCC No. 10 was invalidly enforced. Considering these set of facts, it is beyond dispute that the doctrine of *stare decisis* should be made to apply in the instant case.

In *Lazatin v. Desierto*,³⁶ the Court exhaustively explained the doctrine of *stare decisis* in this wise:

The doctrine of *stare decisis et non quieta movere* (to adhere to precedents and not to unsettle things which are established) is embodied in Article 8 of the Civil Code of the Philippines which provides, thus:

ART. 8. Judicial decisions applying or interpreting the laws or the Constitution shall form a part of the legal system of the Philippines.

It was further explained in *Fermin v. People*, as follows:

The doctrine of *stare decisis* enjoins adherence to judicial precedents. **It requires courts in a country to**

³⁵ Id.

³⁶ 606 Phil. 271 (2009).

follow the rule established in a decision of the Supreme Court thereof. That decision becomes a judicial precedent to be followed in subsequent cases by all courts in the land. The doctrine of *stare decisis* is based on the principle that *once a question of law has been examined and decided, it should be deemed settled and closed to further argument.*

In *Chinese Young Men's Christian Association of the Philippine Islands v. Remington Steel Corporation*, the Court expounded on the importance of the foregoing doctrine, stating that:

The doctrine of *stare decisis* is one of policy grounded on the necessity for securing certainty and stability of judicial decisions, thus:

Time and again, the court has held that **it is a very desirable and necessary judicial practice** that when a court has laid down a principle of law as applicable to a certain state of facts, it will adhere to that principle and apply it to all future cases in which the facts are substantially the same. *Stare decisis et non quieta movere.* Stand by the decisions and disturb not what is settled. *Stare decisis* simply means that **for the sake of certainty, a conclusion reached in one case should be applied to those that follow if the facts are substantially the same,** even though the parties may be different. It proceeds from the first principle of justice that, **absent any powerful countervailing considerations, like cases ought to be decided alike.** Thus, where the same questions relating to the same event have been put forward by the parties similarly situated as in a previous case litigated and decided by a competent court, the rule of *stare decisis* is a bar to any attempt to relitigate the same issue.

The doctrine has assumed such value in our judicial system that the Court has ruled that “[a]bandonment thereof **must be based only on strong and compelling reasons,** otherwise, the becoming virtue of predictability which is expected from this Court would be immeasurably affected and the public's confidence in the stability of the solemn pronouncements diminished”. Verily, only upon showing that circumstances attendant in a particular case override the great benefits derived by our judicial system from the doctrine of *stare decisis*, can the courts be justified in setting aside the same.³⁷ (Emphases in the original)

Bearing in mind these precepts, it becomes incumbent upon the courts to abide by and adhere to the rulings of established jurisprudence when cases involve similar set of facts in accordance with the doctrine of *stare decisis*.

³⁷ Id.

As discussed above, the instant case involves a similar set of facts as those in the *De Jesus case* and the *PPA case*. Thus, applying the doctrine of *stare decisis*, the ruling thereon – that the employees are entitled to the payment of COLA and other allowances during the time DBM-CCC No. 10 was invalidly enforced – should likewise be made to apply in the instant case.

The Court, therefore, finds no reason to disturb the RTC's ruling, as affirmed by the CA, that respondents are entitled to a writ of mandamus, given that respondents were able to prove their clear legal right, and PNB's correlative duty to satisfy their claims for the payment of COLA and other allowances.

On another note, the Court finds it proper to discuss PNB's argument with respect to the supposed lack of evidence in this case. To recall, PNB stated in its petition that the RTC's ruling is not based on substantial evidence, or any evidence at all.

These arguments are untenable.

The records glaringly reveal that PNB's failure to adduce any evidence to support its case is due to its own failure to appear in the conferences that the RTC scheduled, which conferences were initiated by PNB itself. PNB was given several opportunities to show how respondents were not entitled to their monetary claims, or how it has no duty to pay the same. However, instead of using these opportunities to present evidence, PNB insisted on employing delays, filing unnecessary pleadings, and asking for several postponements. In fact, PNB's prayer in the instant petition for the remand of the case to the RTC appears to be another futile attempt to delay the payment of respondents' monetary claims. To the Court's mind, PNB could no longer be allowed assert that no evidence has been presented when such is due to its own fault.

In stark contrast, the Court finds that respondents were able to establish and prove their claims as to their entitlement to their COLA and other allowances.

All things considered, the Court affirms the ruling of the RTC, as affirmed by the CA, directing PNB to pay respondents their monetary claims.

WHEREFORE, the Petition for Review on *Certiorari* dated December 5, 2016 filed by Philippine National Bank is **DENIED** for lack of merit. The Decision dated June 16, 2016 and the Resolution dated October 13, 2016 of the Court of Appeals in CA-G.R. SP No. 117697 are **AFFIRMED**.

SO ORDERED.”

By authority of the Court:

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