



REPUBLIC OF THE PHILIPPINES  
SUPREME COURT  
Manila

SECOND DIVISION

**NOTICE**

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated 28 April 2021 which reads as follows:*

**“G.R. No. 234556 (*Visayan Electric Company Employees Union [VECEU] v. Visayan Electric Company, Inc.*).**

On November 8, 2012, Visayan Electric Company, Inc. (VECO) and Visayan Electric Company Employees Union (VECEU) entered into a Collective Bargaining Agreement<sup>1</sup> (CBA) effective from January 1, 2012 to December 31, 2016.<sup>2</sup> Specifically, the parties stipulated on the Grievance Procedures under Section 4, Article XVII of the CBA that “[any] difference of opinion, controversy, dispute problem or complaint arising from [Company-Union] or [Company-Worker] relations concerning the interpretation or application of [the CBA] or regarding [any] matter affecting [Company-Union] or [Company-Worker] relations shall be considered a [grievance]. x x x.”<sup>3</sup>

On February 10, 2014, VECEU filed a grievance against VECO with the National Conciliation and Mediation Board (NCMB), docketed as Case No. AC899-VII-03-03-2015E. VECEU asked for the proper interpretation of the provision “[any] matter affecting [Company-Union] or [Company-Worker] relations shall be considered a [grievance].”<sup>4</sup> Moreover, VECEU alleged that VECO effected termination and suspension of its members without observing the Grievance Procedures.<sup>5</sup> On the other hand, VECO maintained that the Company Code of Discipline should apply in the investigation and imposition of penalties against erring employees.<sup>6</sup> Furthermore, under Section 12, Article XIV of the CBA, “[t]he Company agrees that henceforth there shall be a fair and uniform application of its

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<sup>1</sup> *Rollo*, pp. 144-166.

<sup>2</sup> *Id.* at 224.

<sup>3</sup> *Id.* at 218.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at 223-241; and 282-292.

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*rules and regulations. It is understood that disciplinary actions imposed on employee or laborer shall be governed by the rules and regulations promulgated by the Company as well as those provided for by existing laws on the matter.*"<sup>7</sup>

On July 1, 2015, the NCMB ruled that matters affecting company-union or company-worker relations violating the law, the CBA, or the principle of justice shall be considered a grievance. The NCMB also held that the Grievance Procedures should be observed before implementing disciplinary actions against employees,<sup>8</sup> thus:

WHEREFORE, the foregoing considered, in the interest of industrial peace, this office rules that matters affecting company-union or company-worker relations which violate the law, or the Collective Bargaining Agreement, or the principle of justice shall be considered a grievance. Further, there is grievance when the disciplinary action violates the law, the Collective Bargaining Agreement, or the principle of justice, and the grievance procedure should be complied with before implementing the disciplinary action.

SO ORDERED.<sup>9</sup>

Aggrieved, VECO filed a Petition for Review<sup>10</sup> with the Court of Appeals (CA), docketed as CA-G.R. SP No. 09610. VECO invoked the Court's Decision dated July 22, 2015 in G.R. No. 205575 in *Visayan Electric Co. Employees Union-ALU-TUCP v. Visayan Electric Co., Inc.*<sup>11</sup> (*Visayan Electric Co. Employees Union-ALU-TUCP*), that specific provisions on the CBA prevail over general ones. On April 25, 2017, the CA reversed the NCMB's findings and held that Section 12, Article XIV of the CBA is clear that what should apply is the Company Code of Conduct and not the Grievance Procedures,<sup>12</sup> viz.:

Thus, as between a general and special law, the latter shall prevail—*generalia specialibus non derogant*. Akin to this directive, special provisions in a contract also prevail over the general ones. Hence, abiding by *Visayan Electric Company Employees Union-ALU-TUCP, et al., vs. Visayan Electric Company, Inc.*, Section 13, Article XIV should prevail over the grievance procedure set forth in Section 4, Article XVII.

x x x x

WHEREFORE, premises considered, the instant petition for review is **GRANTED**. The assailed *Decision* dated 1 July 2015 and *Order* dated 21 September 2015 of the National Conciliation and

<sup>7</sup> *Id.* at 159.

<sup>8</sup> *Id.* at 299-307.

<sup>9</sup> *Id.* at 307.

<sup>10</sup> *Id.* at 393-421.

<sup>11</sup> 764 Phil. 608 (2015).

<sup>12</sup> *Rollo*, pp. 52-66; penned by Associate Justice Gabriel T. Robeniol, with the concurrence of Associate Justices Pamela Ann Abella Maxino and Pablito A. Perez.

Mediation Board in Case No. AC899-VII-03-03-2015E are hereby **REVERSED** and **SET ASIDE**.

**SO ORDERED.**<sup>13</sup> (Emphases in the original.)

VECEU sought reconsideration but was denied.<sup>14</sup> Hence, this petition.<sup>15</sup> VECEU argues that the Grievance Procedures under the CBA are applicable in matters affecting the termination or suspension of employees, and not the Company Code of Conduct.<sup>16</sup>

### RULING

The doctrine of *stare decisis et non quieta movere* is embodied in Article 8 of the Civil Code of the Philippines which provides that “[j]udicial decisions applying or interpreting the laws or the Constitution shall form a part of the legal system of the Philippines.” The doctrine enjoins adherence to judicial precedents anchored on the principle that once a question of law has been examined and decided, it should be deemed settled and closed to further argument.<sup>17</sup> The doctrine of *stare decisis* is one of the 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.**<sup>18</sup> (Emphases supplied; citation omitted.)

In *Visayan Electric Co. Employees Union-ALU-TUCP*, the Court resolved a similar conflict between CBA provisions regarding grievance procedures and the employer’s management prerogative. In that case, the Court ruled that the specific provision on the application of company rules in disciplinary actions is paramount over the general provision on

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<sup>13</sup> *Id.* at 65.

<sup>14</sup> *Id.* at 69-71; penned by Associate Justice Gabriel T. Robeniol, with the concurrence of Associate Justices Pamela Ann Abella Maxino and Edgardo L. Delos Santos (now a Member of this Court).

<sup>15</sup> *Id.* at 12-48.

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

<sup>17</sup> *Fermin v. People*, 573 Phil. 278, 287 (2008).

<sup>18</sup> *Chinese Young Men’s Christian Association of the Philippine Islands v. Remington Steel Corp.*, 573 Phil. 320, 337 (2008).

grievance procedures. Moreover, we upheld the employer's right to discipline its employees, thus:

True, it is a fundamental doctrine in labor law that the CBA is the law between the parties and they are obliged to comply with its provisions. If the provisions of the CBA seem clear and unambiguous, the literal meaning of their stipulations shall control. **However, as in this case, when general and specific provisions of the CBA are inconsistent, the specific provision shall be paramount to and govern the general provision.**

Section 4, Article XVII of the CBA states that "*(a)ny difference of opinion, controversy, dispute problem or complaint arising from Company-Union or Company-Worker relations concerning the interpretation or application of this Agreement or regarding any matter affecting Company-Union or Company-Worker relations shall be considered a grievance.*" On the other hand, under Section 13, Article XIV, "*(t)he Company agrees that henceforth there shall be a fair and uniform application of its rules and regulations. It is understood that disciplinary actions imposed on employee or laborer shall be governed by the rules and regulations promulgated by the Company as well as those provided for by existing laws on the matter.*"

**The Court is in accord with the ratiocination of the NLRC that the sweeping statement "any matter affecting Company-Union or Company-Worker relations shall be considered a grievance" under Section 4, Article XVII is general, as opposed to Section 13, Article XIV of the CBA, which is specific, as it precisely refers to "what governs employee disciplinary actions." Thus, the NLRC correctly ruled that VECO acted within the bounds of law when it proceeded with its administrative investigation of the charges against other union officers and members.**

This is consistent with jurisprudential rulings supporting an employer's free reign and "**wide latitude of discretion to regulate all aspects of employment, including the prerogative to instill discipline in its employees and to impose penalties, including dismissal, upon erring employees.** x x x The Labor Code does not excuse employees from complying with valid company policies and reasonable regulations for their governance and guidance.<sup>19</sup> (Emphases and italics supplied; citations omitted.)

This settled jurisprudence must be applied to subsequent cases involving substantially the same facts and issues. Notably, the conflicting CBA provisions in *Visayan Electric Co. Employees Union-ALU-TUCP* are similarly worded with the present case. Moreover, the parties in both cases raised identical issues on whether grievance procedures should be observed before implementing disciplinary actions against employees. Hence, the CA correctly followed the precedent that the specific provision on the application of company rules in disciplinary actions is paramount over the general provision on grievance procedures. On this point, we reiterate that

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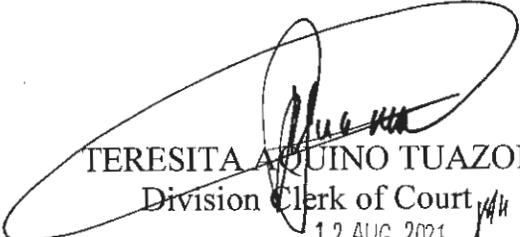
<sup>19</sup> *Supra* note 11, at 620-621.

the doctrine of *stare decisis* 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.”<sup>20</sup> Here, VECEU has not shown any strong and compelling reason to convince the Court that the doctrine of *stare decisis* should not be applied to this case.

**FOR THESE REASONS**, the petition is **DENIED**. The Court of Appeals’ Decision dated April 25, 2017 and the Resolution dated July 31, 2017 in CA-G.R. SP No. 09610 are **AFFIRMED**.

**SO ORDERED.**” (J. Lopez, J., designated additional Member per Special Order No. 2822 dated April 7, 2021.)

By authority of the Court:

  
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Division Clerk of Court  
12 AUG 2021

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<sup>20</sup> *Pepsi-Cola Products, Phils., Inc. v. Pagdanganan*, 535 Phil. 540, 554-555 (2006).