SUPREME COURT
FIRST DIVISION

BUENAVENTURA C. MAGSALIN & COCA-COLA BOTTLERS PHILS., INC.,
***Petitioners*,**

-versus-

G.R. No. 148492
May 9, 2003

NATIONAL ORGANIZATION OF WORKING MEN (N.O.W.M.), RODOLFO MELGAR, ARNEL DELOS SANTOS, SILVERIO MINDAJAO, RUBEN NAVALES, BOBBY AUSTERO, RAYMUNDO GAUDICOS, CHRISTOPHER PERALTA, GIOVANI DELA CRUZ, JOSELITO OCCIDENTAL, AMADO BODASAN, FREDERIK MAGALINO, CHITO OCCIDENTAL, ALEXANDER DELOS SANTOS, DEONIL MESA, OLIVER VILLAFLOR, ROBERTO TUMONBA, RODRIGO ANGELES, ROMMEL ABAD, FELIX AVENIDO, ARMANDO AMOR, FREDERICK DE GUZMAN, CEA CARMELO, MARIANO CAÑETE, ALBERTO ANTONES, ROMEO BASQUINAS, ROGELIO MALINIS, EDMUNDO BAYOS, RAMIL REVADO, JOEL PIATA, OSCAR MALINAY, ROBERT REYES, JIMMY REYES, RETCHEL HAUTEA, VICTORINO TORRALBA, NOEL RUBAI,

RENATO DE OCAMPO, JESUS NOZON, JOEL MALINIS, REYNALDO GREGORY, MICHAEL RUBIA, JOSELITO VILLANUEVA, LEONARDO MONDINA, EDUARDO BELLA, WILFREDO BELLA, ALBERTO MAGTIBAY, MIGUEL CUESTA, JOSE MARCOS RODRIGUEZ III, HERMINIO ROFLO, ERNIE CHAVEZ, NELSON LOGRONIO, LEONILO GALAPIN, REY PANGILINAN, LARRY JAVIER, MATIAS ARBUES, RONILO AUSTERO, ADEMAR ESTUITA, EDWIN DE LEON, RANDY DE CHAVEZ,

Respondents.

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D E C I S I O N

VITUG, *J.*:

Coca-Cola Bottlers Phils., Inc., herein petitioner, engaged the services of respondent workers as "sales route helpers" for a limited period of five months. After five months, respondent workers were employed by petitioner company on a day-to-day basis. According to petitioner company, respondent workers were hired to substitute for regular sales route helpers whenever the latter would be unavailable or when there would be an unexpected shortage of manpower in any of its work places or an unusually high volume of work. The practice was for the workers to wait every morning outside the gates of the sales office of petitioner company. If thus hired, the workers would then be paid their wages at the end of the day.

Ultimately, respondent workers asked petitioner company to extend to them regular appointments. Petitioner company refused. On 07 November 1997, twenty-three (23) of the "temporary" workers (herein respondents) filed with the National Labor Relations Commission (NLRC) a complaint for the regularization of their

employment with petitioner company. The complaint was amended a number of times to include other complainants that ultimately totaled fifty-eight (58) workers. Claiming that petitioner company meanwhile terminated their services, respondent workers filed a notice of strike and a complaint for illegal dismissal and unfair labor practice with the NLRC.

On 01 April 1998, the parties agreed to submit the controversy, including the issue raised in the complaint for regularization of employment, for voluntary arbitration. On 18 May 1998, the voluntary arbitrator rendered a decision dismissing the complaint on the thesis that respondents (then complainants) were not regular employees of petitioner company.

Respondent workers filed with the Court of Appeals a petition for review under Rule 43 of the Rules of Civil Procedure assailing the decision of the voluntary arbitrator, therein contending that —

> "1. The Voluntary Arbitrator committed errors in finding that petitioners voluntarily and knowingly agreed to be employed on a day-to-day basis; and
>
> "2. The Voluntary Arbitrator committed errors in finding that petitioners' dismissal was valid."[1]

In its decision of 11 August 2000, the Court of Appeals reversed and set aside the ruling of the voluntary arbitrator, it concluded —

> "WHEREFORE, the assailed decision of the Voluntary Arbitrator is hereby REVERSED and SET ASIDE and a new one is entered:
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> > "1. Declaring petitioners as regular employees of Coca-Cola Bottlers Phils., Inc. and their dismissal from employment as illegal;
> >
> > "2. Ordering respondent Coca-Cola Bottlers Phils., Inc. to reinstate petitioners to their former positions with full backwages, inclusive of allowances that petitioners had been receiving during their employment and 13th month

> pay, computed from the date of their termination up to the time of their actual reinstatement (Paramount Vinyl Product Corp. vs. NLRC, 190 SCRA 526)."[2]

Petitioner company's motion for reconsideration was denied in a resolution, dated 21 May 2001, of the appellate court.

The focal issues revolve around the matter of whether or not the nature of work of respondents in the company is of such nature as to be deemed necessary and desirable in the usual business or trade of petitioner that could qualify them to be regular employees.

The basic law on the case is Article 280 of the Labor Code. Its pertinent provisions read:

> "Art. 280. Regular and Casual Employment. — The provisions of written agreement to the contrary notwithstanding and regardless of the oral agreement of the parties, an employment shall be deemed to be regular where the employee has been engaged to perform activities which are usually necessary or desirable in the usual business or trade of the employer, except where the employment has been fixed for a specific project or undertaking the completion or termination of which has been determined at the time of the engagement of the employee or where the work or services to be performed is seasonal in nature and the employment is for the duration of the season.
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> "An employment shall be deemed to be casual if it is not covered by the preceding paragraph: Provided, That, any employee who has rendered at least one year of service, whether such service is continuous or broken, shall be considered a regular employee with respect to the activity in which he is employed and his employment shall continue while such activity exists."

Coca-Cola Bottlers Phils., Inc., is one of the leading and largest manufacturers of softdrinks in the country. Respondent workers have long been in the service of petitioner company. Respondent workers, when hired, would go with route salesman on board delivery trucks

and undertake the laborious task of loading and unloading softdrink products of petitioner company to its various delivery points.

Even while the language of law might have been more definitive, the clarity of its spirit and intent, i.e., to ensure a "regular" worker's security of tenure, however, can hardly be doubted. In determining whether an employment should be considered regular or non-regular, the applicable test is the reasonable connection between the particular activity performed by the employee in relation to the usual business or trade of the employer. The standard, supplied by the law itself, is whether the work undertaken is necessary or desirable in the usual business or trade of the employer, a fact that can be assessed by looking into the nature of the services rendered and its relation to the general scheme under which the business or trade is pursued in the usual course. It is distinguished from a specific undertaking that is divorced from the normal activities required in carrying on the particular business or trade. But, although the work to be performed is only for a specific project or seasonal, where a person thus engaged has been performing the job for at least one year, even if the performance is not continuous or is merely intermittent, the law deems the repeated and continuing need for its performance as being sufficient to indicate the necessity or desirability of that activity to the business or trade of the employer. The employment of such person is also then deemed to be regular with respect to such activity and while such activity exists.[3]

The argument of petitioner that its usual business or trade is softdrink manufacturing and that the work assigned to respondent workers as sales route helpers so involves merely "postproduction activities," one which is not indispensable in the manufacture of its products, scarcely can be persuasive. If, as so argued by petitioner company, only those whose work are directly involved in the production of softdrinks may be held performing functions necessary and desirable in its usual business or trade, there would have then been no need for it to even maintain regular truck sales route helpers. The nature of the work performed must be viewed from a perspective of the business or trade in its entirety[4] and not on a confined scope.

The repeated rehiring of respondent workers and the continuing need for their services clearly attest to the necessity or desirability of their

services in the regular conduct of the business or trade of petitioner company. The Court of Appeals has found each of respondents to have worked for at least one year with petitioner company. While this Court, in Brent School, Inc. vs. Zamora,[5] has upheld the legality of a fixed-term employment, it has done so, however, with a stern admonition that where from the circumstances it is apparent that the period has been imposed to preclude the acquisition of tenurial security by the employee, then it should be struck down as being contrary to law, morals, good customs, public order and public policy. The pernicious practice of having employees, workers and laborers, engaged for a fixed period of few months, short of the normal six-month probationary period of employment, and, thereafter, to be hired on a day-to-day basis, mocks the law. Any obvious circumvention of the law cannot be countenanced. The fact that respondent workers have agreed to be employed on such basis and to forego the protection given to them on their security of tenure, demonstrate nothing more than the serious problem of impoverishment of so many of our people and the resulting unevenness between labor and capital. A contract of employment is impressed with public interest. The provisions of applicable statutes are deemed written into the contract, and "the parties are not at liberty to insulate themselves and their relationships from the impact of labor laws and regulations by simply contracting with each other."[6]

With respect to the "Release, Waiver and Quitclaim" executed by thirty-six (36) of the original complainants, namely, Rommel Abad, Armando Amor, Bobby Austero, Felix Avenido, Amado Badasan, Edmundo Bayos, Eduardo Bella, Jr., Mariano Cañete, Carmelo Cea, Ernie Chavez, Randy Dechaves, Frederick De Guzman, Renato De Ocampo, Ademar Estuita, Leonilo Galapin, Raymund Gaudicos, Retchel Hautea, Larry Javier, Nelson Logrinio, Alberto Magtibay, Frederick Magallano, Rogelio Malinis, Rodolfo Melgar, Silverio Mindajao, Leonardo Mondina, Ruben Navales, Rey Pangilinan, Christopher Peralta, Jimmy Reyes, Herminio Roflo, Michael Rubia, Noel Rubia, Roberto Tumomba, Oliver Villaflor, and Joselito Villanueva, this Court finds the execution of the same to be in order. During the pendency of the appeal with the Court of Appeals, these thirty-six (36) complainants individually executed voluntarily a release, waiver and quitclaim and received from petitioner company

the amount of fifteen thousand (P15,000.00) pesos each. The amount accords with the disposition of the case by the voluntary arbitrator thusly:

> "WHEREFORE, above premises considered, the herein complaint is hereby DISMISSED for lack of merit.
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> "However, we cannot completely negate the fact that complainants did and do actually render services to the Company. It is with this in mind and considering the difficulty the complainants may face in looking for another job in case they are no longer re-engaged that we direct the company to pay complainants Fifteen Thousand Pesos each (P15,000.00) as financial assistance. It is however understood that the financial assistance previously extended by the Company to some of the complainants shall be deducted from the financial assistance herein awarded."[7]

The receipt of the amount awarded by the voluntary arbitrator, as well as the execution of a release, waiver and quitclaim, is, in effect, an acceptance of said decision. There is nothing on record which could indicate that the execution thereof by thirty-six (36) of the respondent workers has been attended by fraud or deceit. While quitclaims executed by employees are commonly frowned upon as being contrary to public policy and are ineffective to bar claims for the full measure of their legal rights, there are, however, legitimate waivers that represent a voluntary and reasonable settlement of laborers' claims which should be so respected by the Court as the law between the parties.[8] Where the person making the waiver has done so voluntarily, with a full understanding thereof, and the consideration for the quitclaim is credible and reasonable, the transaction must be recognized as being a valid and binding undertaking. "Dire necessity" is not an acceptable ground for annulling the release, when it is not shown that the employee has been forced to execute it.[9]

WHEREFORE, the questioned decision of the Court of Appeals, in CA-G.R. SP No. 47872 is hereby **AFFIRMED** with **MODIFICATION** in that the "Release, Waiver and Quitclaim"

executed by the thirty-six (36) individual respondents are hereby declared **VALID** and **LEGAL**.

SO ORDERED.

Davide, Jr., *C.J.*, Ynares-Santiago, Carpio and Azcuna, *JJ.*, concur.

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[1] Rollo, p. 69.
[2] Rollo, p. 72.
[3] See De Leon vs. NLRC, 176 SCRA 615.
[4] Millanes vs. NLRC, 328 SCRA 79.
[5] 181 SCRA 702.
[6] Bernardo vs. NLRC, 310 SCRA 186.
[7] Rollo, pp. 37–38.
[8] Alcosero vs. NLRC, 288 SCRA 129.
[9] Sicangco vs. NLRC, 235 SCRA 96.
