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WHEREFORE, the petition is denied insofar as it seeks to nullify the title of the spouses Gregorio and Soledad Galang; and it is granted by preserving those portions of the trial court's judgment in favor of the petitioner and against the defendants who did not appeal therefrom. No costs.

SO ORDERED.

Concepcion Jr. and *Escolin, JJ.*, concur.
Makasiar and *Aquino, JJ.*, in the result.
Cuevas, J., no part.

FIRST DIVISION

[G.R. No. 61719-20. February 28, 1985]

GOVERNMENT SERVICE INSURANCE SYSTEM, *petitioner*, *vs.* NATIONAL LABOR RELATIONS COMMISSION and GSIS SUPERVISORS' UNION (GSISSU) and GSIS EMPLOYEES' ASSOCIATION-PAGE, *respondents.*

SYLLABUS

REMEDIAL LAW; JUDGMENT; EXECUTION; DENIAL OF MOTION FOR ENTRY OF SATISFACTION OF FINAL JUDGMENT; JUSTIFIED WHERE THERE IS ONLY PARTIAL IMPLEMENTATION.— Nothing in our Decision of April 30, 1979 states that the CIR Orders of April 29, 1970 and June 10, 1970 had been fully implemented. In fact, we specifically stated that payment by the GSIS of the salary differentials to employees of Pay Classes 7 to 13 on July 24, 1970 was in *partial implementation* of the CIR Orders of April 29, 1970 and July 30, 1970 (L-32772, April 30, 1979, at p. 630). The GSIS Motion for entry of satisfaction of final judgment was, therefore, correctly denied. As long as the discriminatory effect of the act of petitioner in granting the one (1) rate salary

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increase only to a few and not to members of the Unions which had no collective bargaining agreement with it is not corrected, the judgment in G.R. Nos. L-32018 and L-32397, jointly decided by this Court on April 30, 1979, cannot be deemed satisfied. Having arrived at the foregoing conclusion, the allegations of *res judicata* and estoppel find no bearing nor significance.

APPEARANCES OF COUNSEL

Manuel M. Lazaro and *Baldomero S.P. Gatbonton, Jr.* for petitioner.

Solicitor General for respondents.

D E C I S I O N

MELENCIO-HERRERA, *J.:*

The instant controversy revolves around the execution and implementation of the Orders of the defunct Court of Industrial Relations (CIR) in Cases Nos. 87-IPA(8) and 87-IPA(9), respectively entitled "GSIS Supervisors' Union (GSISSU) *vs.* GSIS," and "GSIS Employees' Association (GSISEA-PAGE) *vs.* GSIS," which we affirmed in the cases of "GSIS *vs.* GSISSU, et al." (L-32018), and GSIS *vs.* GSISEA, et al.," (L-32397), jointly decided on April 30, 1979.[1]

Reproduced hereunder is the antecedental setting recited in our aforestated joint Decision:

"On January 1, 1968, petitioner GSIS implemented a new and higher pay scale to which the salaries of all GSIS employees and officials were adjusted according to a uniform pattern. The increase or adjustment was equivalent to the next higher step in that new scale. For instance, in Pay Class 12, the first step under the old scale was P12,000. In the new scale, the first step was P12,600. Therefore, the employee receiving P12,000 under the old scale would receive an adjustment of P600.00 (Exhibit 'A', p. 5, Original Records). However, it was discovered that some employees headed by Manuel Perlada (Pay Classes 7 to 13) received higher salary readjustment although some of them were merely 'acting designees'. Other employees

[1] 89 SCRA 554.

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belonging to the rank and file (Pay Classes 1-6) supposedly members of GSISEA-CUGCO received the same adjustments as the aforementioned employees also effective January 1, 1968. Members of the GSISSU and the GSISEA-PAGE did not. This caused a growing agitation among the rest of the GSIS officials and employees for the grant to them of the same benefits."

Demanding a similar one-rate increase in pay effective January 1, 1968, respondents GSISSU and GSISEA-PAGE filed separate Petitions against the GSIS with the CIR in Cases Nos. 87-IPA(8) and 87-IPA(9), respectively. The GSIS filed identical Oppositions contending that pursuant to GSIS Board Resolution No. 1461, approved on September 3, 1968, all officials and employees of the System covered by the collective bargaining agreement of March 26, 1968 were already given and paid the salary increases and adjustments effective January 1, 1968 subject to the terms and conditions provided therein.

Resolving Case No. 87-IPA(8) ["GSISSU *vs.* GSIS", or briefly, the Supervisors' Case], the CIR issued an Order dated April 29, 1970, the dispositive portion of which reads:

"WHEREFORE, respondent GSIS is hereby ordered to cease and desist from discriminating against petitioner, its members and other employees in the unit of supervisors, and *to grant to all of said employees the same salary readjustment/increase as those already granted to Manuel Perlada and other members of GSIS-CUGCO provided they have not reached the maximum step of their respective pay classes."* (italics ours)

And in Case No. 87-IPA(9) ["GSISEA-PAGE *vs.* GSIS," or briefly referred to as the Employees' Case], the CIR issued the Order of June 10, 1970, which provides:

"WHEREFORE, the respondent is hereby ordered *to grant all rank and file employees* (Pay Classes 1 to 6) *the same salary adjustment/increase as that already granted to Manuel Perlada and other members of the Intervenor GSISEA-CUGCO provided they have not yet reached the maximum step of their respective pay classes;* and to deduct from the employees in Pay Classes 1 to 6 who are entitled to salary readjustment an amount equivalent to 15% of their respective recoveries as and for attorney's fees and to

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deposit the amount so deducted in court for further disposition." (Italics supplied)

Both Orders were separately appealed by the GSIS to this Court.

On April 30, 1979, in a joint Decision in the Supervisors' Case (G.R. No. L-32018 - IPA Case No. 87 [8]), and in the Employees' Case (G.R. No. L-32397 - IPA Case No. 87 [9]), we affirmed the above Orders, thus:

"WHEREFORE, 1) In G.R. No. L-32018, the petition is dismissed and the Order of the Court of Industrial Relations of April 29, 1970 in IPA Case No. 87 (8) is hereby declared final and executory. No costs.

2) In G.R. No. L-32397, we hereby affirm the Order of the Court of Industrial Relations of June 10, 1970 in IPA Case No. 87 (9). No costs."

On the same date, April 30, 1979, we promulgated our Decision involving another incident in the Supervisor's Case in G.R. No. L-32772[2] affirming the CIR Order of July 30, 1970 and Resolution of August 24, 1970, directing the deduction of 15% of the salary adjustments for attorney's fees.

And, on March 31, 1980, in G.R. No. L-32854 entitled GSISEA-CUGCO *vs.* Prudon, et al.[3] we held, *inter alia,* that the CIR had not abused its discretion nor was it truant to the spirit of free collective bargaining in entertaining the incidental suits filed by labor unions in the GSIS in relation to the implementation of salary adjustments.

On July 24, 1970, during the pendency of the Supervisors' Case (L-32018), 50% of the salary increase differentials for the period from January 1, 1968 to June 30, 1969 were paid by GSIS to all supervisory personnel. In March 1980, all GSIS employees belonging to Pay Classes 1 to 13 received the remaining 50% of their salary differentials corresponding to the same period from January 1, 1968 to June 30, 1969

[2] 89 SCRA 624.

[3] 96 SCRA 766.

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On May 21, 1980, GSIS filed an Omnibus Motion and Constancia with NLRC in the Supervisors' Case asking for entry of satisfaction of judgment contending that the salary differentials and the corresponding attorney's fees of 15% had already been paid.

GSISSU, the Supervisor's Union, opposed the entry of satisfaction of judgment on the ground that salary differentials due the supervisory personnel and the corresponding 15% attorney's fees had not yet been fully paid considering that payments covered only the period from January 1, 1968 to June 30, 1969. GSISSU further claimed that "supervisory, like rank and file, employees are entitled to salary increase differentials from January 1, 1968 until their adjusted salaries effective said date shall have been superseded by higher rates of pay, in a majority of cases, up to sometime in 1975."

GSIS filed a Reply to the Opposition alleging that respondents' claim for salary differentials after August 1, 1970 up to 1975 had no legal basis as the salary increase of the employees concerned had been merged with their respective salaries which had already been paid to them.

On September 8, 1980, GSISSU filed a Motion for Computation and Execution in Case No. 87-IPA (8) claiming that in March 1980, petitioner paid a fractional portion of the award and deducted 15% of the payment as attorney's fees but that the payments made were less than 20% of the salary differentials already paid to Perlada, et al., of GSISEA-CUGCO although the affirmed Order (of April 29, 1970) required the payment of the same salary readjustment/increase as those already granted to the Perlada group. GSISSU then prayed that the salary adjustment/differentials paid to Manuel Perlada and others be computed and ascertained, and that the corresponding Writ of Execution be issued based upon such computation.

Another Motion for Computation and Execution was filed be GSISEA-PAGE in the Employees Case "to determine the differentials/increases due to the rank and file employees (pay Classes 1 to 6) based upon the salary differentials/increases paid to Manuel Perlada, et al., effective January 1, 1968, and to issue a Writ of Execution."

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GSIS filed a Consolidated Opposition stating that it had no further obligation after July 1970 because as found by this Court, the GSIS had already implemented the CIR orders in 1970, which implementation has "naturally continued up to the present day and the union lawyers would not, therefore, be entitled to attorney's fees after July 1, 1969. Neither should the employees receive salary increases because those increases have already been paid after that date...." GSIS further contended that the pronouncement of this Court on the matter is *res judicata* between the parties.

On November 26, 1980, the Labor Arbiter issued the challenged Orders denying the GSIS prayer for entry of satisfaction of judgment and ordering GSIS to pay its employees the salary adjustment/increase from January 1, 1968 to October, 1975. Specifically, the dispositive portions of the Orders read:

In the Employees' Case (No. 87-IPA[9]):

"WHEREFORE, the motion for entry of satisfaction of judgment is hereby denied. The GSIS is hereby ordered to pay all employees in Pay Classes 1 to 6 one-step increase from January 1, 1968 up to October 1975 or up to such date when the increased rate that took effect on January 1, 1968 was superseded by a higher or lower rate of pay, as the case may be, deducting therefrom, however, the payment made in March 1980. The GSIS is ordered, further, to deduct 15% of the amounts to be paid to each employees, as and for attorney's fees, and to deposit the amount so deducted with this Commission."

In the Supervisors' Case (No. 87-IPA[8]):

"WHEREFORE, the motion for entry of satisfaction of judgment is hereby denied. The GSIS is hereby ordered to pay its employees in Pay Classes 7 to 13 who have not yet reached the maximum of their respective pay classes a one step salary readjustment/increase from January 1, 1968 up to October 1975 unless prior thereto an employee received an appointment with a pay that superseded the increase that took effect on January 1, 1968, deducting therefrom, however, payments made by the GSIS in March 1980; to deduct an amount equivalent to 15% as attorney's fees and to deliver the amounts so deducted from members of the GSISSU to Attys. Cecilio Magadia and Filemon Uy.

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Regarding attorney's fees deducted from employees in Pay Classes 7 to 13 who are not members of the GSISSU the same shall also be delivered to Attys. Cecilio Magadia and Filemon Uy either through this Commission or directly to said lawyers as directed in the final order dated May 5, 1980 of Labor Arbiter Francisco delos Reyes."

The reconsideration sought by GSIS on the ground that said Orders are not in accordance with this Court's Decision and the Orders of the CIR was considered as an appeal to the NLRC *en banc.*

On August 13, 1982, the NLRC in an undated Decision dismissed the appeal holding that:

"With respect to the motion of Attys. Magadia and Uy for recomputation, it appears that indeed, Perlada and the members of his group continued to receive the increases until they were extended a different rate or up to October 1975. In this connection, *the Supreme Court Decision was explicit in that the individual complainants belonging to Pay Classes 1 to 13 were to be granted the same rate of increase as that extended to the Perlada group. There is thus no reason to limit the effectivity of the award to them up to June 1969 only. Like the Perlada group, they should continue to receive the increase up to October 1975, unless they were given an earlier different rate of pay.*

WHEREFORE, judgment is hereby entered as follows:

1. The appeal filed by Atty. Leonardo Fernandez from the Order of Labor Arbiter Antonio Tria Tirona, dated 30 July 1980, is dismissed for lack of merit; and

2. The motion of GSIS for entry of final judgment is likewise denied until such time that it shall have paid the amounts still due to the employees concerned as above indicated. For this purpose, the GSIS is ordered to compute their unpaid increases covering the period from 1 July 1969 to October 1975, except with respect to those who were extended a different higher rate prior thereto in which case the period of their entitlement should be up to the date of such change of rate only, and to pay the amount determined, deducting therefrom 15% for attorney's fees.

Amounts deducted from the recoveries of employees belonging to Pay Classes 7 to 13 shall be delivered directly to Attys. Cecilio

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Magadia, Jr. and Felimon Uy while those deducted from the recoveries of employees belonging to Pay Classes 1 to 6 shall be deposited with this Commission for further disposition." (Italics supplied)

In the present petition before us, petitioner has assigned the following errors to the NLRC:

I

"Respondent NLRC has committed a grave abuse of discretion tantamount to lack or excess of its jurisdiction (A) in denying petitioner's motion for entry of satisfaction of judgment; (B) in ignoring the principles of *res judicata* and law of the case invoked by petitioner GSIS; and (C) in directing petitioner GSIS to compute and pay additional increased to its employees covering the period from July 1, 1969 to October 1975.

II

Respondent NLRC has committed a grave abuse of discretion tantamount to lack or excess of its jurisdiction in not holding respondent unions estopped from claiming salary differentials from July 1, 1969 to October 1975.

III

Respondent NLRC has committed a grave abuse of discretion tantamount to lack or excess of its jurisdiction in not holding that it is bereft of jurisdiction to render a new judgment in execution proceedings."

To resolve the controversy we look to the intendment of the CIR Orders quoted previously, as affirmed by this Court.

In both the Supervisors' and the Employees' Cases, GSIS was ordered by the CIR to grant "employees in the unit of supervisors" and "all rank and file employees (Pay Classes 1 to 6)" *the same salary adjustment/increase as that already granted to Manuel Perlada and other members of GSIS-CUGCO provided they have not reached the maximum step of their respective pay classes."*

As we had stated in our Decision of April 30, 1979 in both the Supervisors' and Employees' Cases, the Petitions filed by GSISSU (in 87-IPA [8]) and by GSISEA-PAGE (in 87-IPA [9])

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"alleged that despite demands made upon the GSIS to grant them a *similar one (1) rate increase in pay effective January 1, 1968,* the latter refused to grant said demands, and that as a consequence, petitioners had to retain counsel on a contingent basis. x x x Petitioners then demanded the same increase effective January 1, 1968" (at page 557).

Clearly, what was demanded and litigated was a "similar *one (1) rate* increase in pay effective January 1, 1968" in order to equalize the increase in salaries paid to the Perlada group and the employees belonging to GSISSU and GSISEA-PAGE. What was granted in the assailed NLRC Decision was also a *one (1) rate* increase in pay in implementation of this Court's Decision of April 30, 1979. As long as the *one (1) rate* increase in pay has not been fully implemented, so long is petitioner obligated to grant the same provided the employees concerned "have not reached the maximum step of their respective pay classes." Whether this payment should cover the period from January 1, 1968 to June 30, 1969 as GSIS contends, or from January 1, 1968 up to October, 1975, as the NLRC held, is a question of fact which we are not prepared to disturb. The NLRC found that Perlada and his group continued to receive the increases until they were extended a different rate, or up to October 1975. Our affirmatory Decision of April 30, 1979 required that the "same" treatment be accorded the other employees.

Nothing in our Decision of April 30, 1979 states that the CIR Orders of April 29, 1970 and June 10, 1970 had been fully implemented. In fact, we specifically stated that payment by the GSIS of the salary differentials to employees of Pay Classes 7 to 13 on July 24, 1970 was in *partial implementation* of the CIR Orders of April 29, 1970 and July 30, 1970 (L-32772, April 30, 1979, at p. 630).

The GSIS Motion for entry of satisfaction of final judgment was, therefore, correctly denied. As long as the discriminatory effect of the act of petitioner in granting the one (1) rate salary increase only to a few and not to members of the Unions which had no collective bargaining agreement with it is not corrected, the judgment in G.R. Nos. L-32018 and L-32397, jointly decided by this Court on April 30, 1979, cannot be deemed satisfied.

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Having arrived at the foregoing conclusion, the allegations of *res judicata* and estoppel find no bearing nor significance.

WHEREFORE, absent grave abuse of discretion, this Petition for Certiorari is hereby dismissed. No costs.

SO ORDERED.

Teehankee (Chairman), Plana, Relova, Gutierrez, Jr., de la Fuente, and *Alampay, JJ.*, concur.

EN BANC

[G.R. No. 62136. February 28, 1985]

ZANSIBARIAN RESIDENTS ASSOCIATION FOR AND IN BEHALF OF ITS MEMBERS, *petitioner, vs.* THE MUNICIPALITY OF MAKATI, THE NATIONAL HOUSING AUTHORITY AND THE HUMAN SETTLEMENTS REGULATORY COMMISSION, *respondents.*

SYLLABUS

1. **LABOR AND SOCIAL LEGISLATIONS; URBAN LAND REFORM; APPLICABLE TO LEGITIMATE TENANTS ONLY; SQUATTERS EXCLUDED; CASE AT BAR.**— Section 6 of Presidential Decree No. 1517 provides — "Section 6 — Land Tenancy in Urban Land Reform Areas — Within the Urban Zones, *legitimate tenants* who have resided in the land for ten years or more, who have built their house on the land, and residents who have "*legally occupied* the land by contract continuously for the last ten years shall not be dispossessed of the land and shall be allowed the right of first refusal to purchase the same within a reasonable time and at reasonable prices, under terms and conditions to be determined by the Urban Zone Expropriation and Land Management Committee created by Section 8 of this Decree." (Italics supplied) Under the aforequoted provision of the Urban Land Reform Law relied upon by petitioner, only legitimate tenants are envisaged