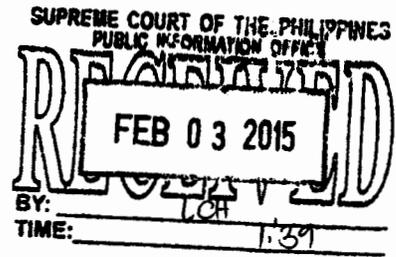




Republic of the Philippines
Supreme Court
Manila
FIRST DIVISION
NOTICE



Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated **November 26, 2014** which reads as follows:*

“G.R. No. 214212 (Dela Rosa Transit Corporation, and Dela Rosa Liner Corporation, *petitioners*, v. Melchor R. Obina, Leo Angelo G. Montero, Lesmes Cueva and Ricky A. Maaslum, *respondents*)

The petitioners’ motion for an extension of thirty (30) days within which to file a petition for review on certiorari is **GRANTED**, counted from the expiration of the reglementary period.

Respondents Melchor Orbina, Leo Angelo Montero, Lesmes Cueva and Ricky Maaslum are security guards of JNB Security Agency and assigned at the premises of petitioners Dela Rosa Transit Corporation (DRTC) and Dela Rosa Liner Corporation (DRLC).

On 14 February 2011, respondents filed a complaint for underpayment of wages, overtime pay, holiday pay, holiday pay premium, service incentive leave, 13th month pay and refund of cash bond against JNB and petitioner DRTC before the National Labor Relations Commission (NLRC). Subsequently, respondents filed separate Supplemental Complaint and Amended Complaint which included charges for illegal dismissal, illegal deductions, unfair labor practice, moral and exemplary damages, attorney’s fees and night shift differentials and adding Maria Lourdes Sigua, Manuel Bayugo, petitioner DRLC and Rosauro Dela Rosa as respondents therein.¹

- over – four (4) pages

For their part, petitioners DRTC, DRLC and Rosauro Dela Rosa countered that there is no employer-employee relationship between them, on the one hand, and respondents, on the other hand; the latter are employees of JNB. Petitioners argued that they pay for the service contract with JNB at the rate of ₱10,000.00 a month per security guard already covering salaries and overtime pay of the security guards.

JNB refuted respondents claim that they were illegally dismissed and countered that respondents refused to go back to work upon invitation for posting. JNB averred that it was merely complying with its client's request for reshuffling of security guards.

The Labor Arbiter decided in favor of respondents regarding their claims for overtime pay, holiday pay, service incentive leave and 13th month pay; refund of cash bond, moral and exemplary damages and attorney's fees. However, respondents' claim of illegal dismissal, refund of SSS and PhilHealth premiums were dismissed. DRTC, DRLC and Rosauro Dela Rosa, as indirect employers, were held jointly and severally liable with JNB, Sigua and Bayugo for payment of the awarded claims in the amount of ₱803,759.86.

The parties filed their respective appeals before the NLRC, with petitioners DRTC, DRLC and Rosauro Dela Rosa filing a partial appeal regarding the Labor Arbiter's finding of their joint and several liability, as indirect employers, with JNB, the actual contractor and employer of respondents.

The NLRC dismissed the appeal of JNB and Sigua for failure to comply with the mandatory requirement for the perfection of an appeal. As for DRTC, DRLC and Rosauro Dela Rosa, the NLRC partially granted the appeal, modifying the decision of the Labor Arbiter, dropping Rosauro Dela Rosa from joint and several liability with DRTC and DRLC for the payment of the monetary awards in favor of respondents.

DRTC and DRLC filed a petition for *certiorari* before the Court of Appeals alleging grave abuse of discretion in the ruling of the NLRC finding them, as indirect employers of respondents, jointly and severally liable with JNB for the monetary awards to respondents.

The appellate court dismissed the petition for *certiorari* and affirmed the joint and several liability of petitioners DRTC and DRLC for the monetary awards to respondents.

Hence, this Petition for Review on *Certiorari* filed by petitioners.

Whether the appellate court erred in affirming the ruling of the labor tribunals that petitioners, as indirect employers, are jointly and severally liable with JNB for the monetary awards to respondents.²

There is no reversible error in the Decision of the Court of Appeals that petitioners DRTC and DRLC, as indirect employers, are liable to respondents for the payments of their wages, specifically, overtime pay, holiday pay, service incentive leave and 13th month pay.

The issue in this case, of whether petitioners are indirect employers, and jointly and solidarily liable with JNB for the monetary awards to respondents, has been disposed of by the Labor Arbiter, the NLRC and the Court of Appeals who all uniformly ruled on the joint and several liability of petitioners with JNB for the unpaid wages of respondents.

Under Articles 106, 107 and 109 of the Labor Code, an indirect employer has joint and solidary liability with the contractor or sub-contractor for any violation of any provision of this Code, to wit:

Article 106. Contractor or subcontractor. Whenever an employer enters into a contract with another person for the performance of the former's work, the employees of the contractor and of the latter's subcontractor, if any, shall be paid in accordance with the provisions of this Code.

In the event that the contractor or subcontractor fails to pay the wages of his employees in accordance with this Code, the employer shall be jointly and severally liable with his contractor or subcontractor to such employees to the extent of the work performed under the contract, in the same manner and extent that he is liable to employees directly employed by him.

Article 107. Indirect employer. The provisions of the immediately preceding article shall likewise apply to any person, partnership, association or corporation which, not being an employer, contracts with an independent contractor for the performance of any work, task, job or project.

Article 109. Solidary liability. The provisions of existing laws to the contrary notwithstanding, every employer or indirect employer shall be held responsible with his contractor or subcontractor for any violation of any provision of this Code. For purposes of determining the extent of their civil liability under this Chapter, they shall be considered as direct employers. (Emphases supplied)

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²

Id. at 14-15.

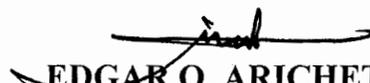
Having entered into a service contract with JNB for the provision of security guards, petitioners DRTC and DRLC are jointly and severally liable to respondents for the latter's unpaid wages, consisting in overtime pay, holiday pay, service incentive leave and 13th month pay, as if DRTC and DRLC directly employed respondents.

WHEREFORE, the petition is **DENIED**, there being no reversible error in the Court of Appeal's Decision and pursuant to the 1-2-3 Rule in Labor Cases.

The National Labor Relations Commission is **DELETED** as party respondent in this case pursuant to Sec. 4, Rule 45, 1997 Rules of Civil Procedure, as amended.

SO ORDERED. **PERLAS-BERNABE, J.**, on leave, **VILLARAMA, JR., J.**, Acting Member per Special Order No. 1885 dated 24 November 2014.

Very truly yours,


EDGAR O. ARICHETA
Division Clerk of Court
19

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NLRC Case No. RAB IV 02-
00218-11-L)

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