

### Title: Bienvenido M. Cadalin, et al. vs. POEA Administrator, et al.

#### Facts:

Beginning on June 6, 1984, a comprehensive legal battle ensued between 1,767 claimants, represented by their attorney-in-fact, Atty. Gerardo A. Del Mundo, and the respondents Philippine Overseas Employment Administration (POEA) Administrator, National Labor Relations Commission (NLRC), Brown & Root International, Inc. (BRII), and/or Asia International Builders Corporation (AIBC). The claimants, overseas contract workers deployed in various countries, sought compensation for alleged unpaid wages, benefits, and other claims arising from their employment with AIBC and BRII. The case was marred by numerous procedural complexities, including the filing of amended complaints, the request for a bill of particulars, motions for default, and interlocutory appeals, which extended the proceedings over several years before the POEA and subsequently the NLRC.

The legal controversy revolved primarily around the applicability and interpretation of the Amiri Decree No. 23 of 1976 of Bahrain, which purportedly provided for more favorable employment benefits than those stipulated in the claimants' contracts, and the determination of the appropriate prescriptive period for filing the claims.

The NLRC, in its decision dated September 2, 1991, modified the original POEA decision, granting monetary benefits only to a portion of the claimants and dismissing other claims either for lack of substantial evidence or on jurisdictional grounds. This led to the filing of multiple petitions for certiorari under Rule 65 of the Revised Rules of Court by the claimants against the NLRC resolutions.

#### Issues:

1. Whether or not the claimants are entitled to the benefits provided by Amiri Decree No. 23 of Bahrain.
2. The appropriate prescriptive period for filing the monetary claims of the claimants.
3. The legality of treating the case as a class suit.
4. The due process concerns in the handling of the case by the POEA Administrator and the NLRC.
5. The issue of joint and several liabilities of AIBC and BRII for the claims.
6. Whether or not POEA Case No. L-86-05-460 should be dismissed on the grounds of multiplicity of suits.

#### Court's Decision:

The Supreme Court dismissed all three petitions, holding that:

- The NLRC did not commit grave abuse of discretion in its rulings. The application of the Amiri Decree No. 23 of 1976, as part of the overseas employment contracts, was proper where it provides greater benefits than those stipulated in the employment contracts, in keeping with the principle of *lex loci contractus* and the labor protection policies of the Philippines.
- The prescriptive period for the filing of claims is governed by the law of the Philippines - specifically, Article 291 of the Labor Code, which prescribes a three-year period, instead of the ten-year period under the Civil Code or the one-year period under the Amiri Decree No. 23.
- The case does not qualify as a class suit due to the variance in the specific claims and conditions of employment among the claimants.
- The due process rights of the parties were not violated in the administrative proceedings, as NLRC and POEA are not bound by the technical rules of evidence and procedure but are guided by the principle of substantial evidence.
- The joint and several liabilities of AIBC and BRII were upheld, based on their actual roles in the employment of the claimants and the stipulations in the employment contracts.

#### Doctrine:

- Employment contracts involving Filipino workers deployed overseas are governed by the principle of *lex loci contractus*, wherein the law of the place where the contract is executed governs, but this is subject to the overriding principle of Philippine labor laws and policies aimed at protecting overseas Filipino workers.
- The prescriptive period for filing money claims arising from employer-employee relations within the context of the Labor Code of the Philippines is three years from the time the cause of action accrued.

#### Class Notes:

- *Lex loci contractus*: This principle means the law of the place where a contract is executed governs the nature, validity, and interpretation of the contract.
- Principle of substantive evidence in administrative proceedings: Administrative bodies like the NLRC are not strictly bound by the technical rules of evidence but must base their decisions on substantial evidence.

- Labor protection policies: The Philippine Constitution and labor laws provide for the protection and welfare of labor, including overseas Filipino workers, which is a paramount public policy interest.
- Prescriptive periods: Different laws may prescribe different periods within which claims must be filed; for labor-related claims under Philippine law, the period is three years from the accrual of the cause of action.