

**B.F. GOODRICH PHILIPPINES, INC., PETITIONER, VS.
WORKMEN'S COMPENSATION COMMISSION, TEODOLFO
OCHIA, ISABELA SECURITY AND WATCHMEN AGENCY,
REPRESENTED HEREIN BY ITS MANAGER, PAST...**

G.R. No. L-42319. July 31, 1978

Ponente: MUÑOZ PALMA, J.

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MUÑOZ PALMA, J.:

This is a simple case of applying the ruling in *Aboitiz & Co., Inc. vs. Workmen's Compensation Commission, Pioneer Detective Credit Security Agency, Inc., et al.*, L-42134, handed down on April 30, 1976, in a decision penned by Justice Claudio Teehankee.

The factual background of this petition for review filed by B.F. Goodrich Philippines, Inc., follows:

Petitioner company is the owner of a rubber plantation located at Tumahubong, Lamitan, Province of Basilan. For the security of its plantation, petitioner entered into a contract on June 5 and June 8, 1973, entitled "Private Security Service Agreement" with the Isabela Security and Watchmen Agency, a corporation duly registered and licensed to operate as a private security agency. Under this contract, the Agency was to supply special police and watchmen's services in B. F. Goodrich's Tumahubong rubber plantation in consideration of a monthly fee of P6,840.00. Among the conditions stipulated in the contract was the following:

"xxx xxx xxx

"7. The AGENCY also agrees to hold B. F. GOODRICH free from any liability, cause of action, or claim which may be filed by any special police, watchman, or guard or his heirs by reason of his employment under this agreement or under the provisions of the Minimum Wage Law, Workmen's Compensation Act, and other laws which are now in effect or which may hereafter be enacted." (pp. 50-53, WCC records)

On September 19, 1974, a supplemental contract was entered into between the parties which provided among other things these conditions:

"xxx xxx xxx

"1. That the Isabela Security Agency, referred to as the Agency in the aforesaid contract, shall post a performance bond in the amount of TWENTY THOUSAND (P20,000.00) PESOS, Philippine currency, to guarantee the faithful compliance of the terms and conditions of the aforementioned contract, and the terms

and conditions of this supplemental private security service agreement, said performance bond to be approved by the B. F. Goodrich Phil., Inc., referred to as B. F. Goodrich in the aforementioned contract;

"2. That in addition to the performance bond of P20,000.00, the Isabela Security Agency should secure the necessary Workmen's Insurance to each and every security guard assigned to the Tumahubong Plantation of the B. F. Goodrich Phil., Inc., to answer for any and all liabilities under the Workmen's Compensation Act, or under the provisions of the Labor Code of the Philippines for the illness, sickness, injury or death which may have accrued or will accrue to any and all the security guards (and/or their heirs as the case may be). For this purpose, the Agency should submit a monthly report to the B.F. Goodrich Phil., Inc. showing the names of the security guards employed, under this contract, their SSS numbers, SSS premium payments, Workmen's Insurance policies, including date of coverage." (pp. 48-49, *ibid*)

Pursuant to the foregoing contracts, the Security Agency put up a performance bond of P20,000.00 issued by Workmen's Insurance Co., Inc. in favor of B. F. Goodrich dated August 14, 1974.[1]

On May 16, 1974, Jose Ochia, one of the security guards assigned by the Isabela Security & Watchmen Agency to the Tumahubong plantation was killed during an encounter between muslim rebels on one hand and the Philippine Army, together with the security guards of respondent Isabela Security & Watchmen Agency, on the other. A claim for death compensation was filed by Teodolfo Ochia, father of the deceased security guard, before the Workmen's Compensation Unit, Regional Office No. X, Department of Labor, in Zamboanga City, naming as respondents therein the Isabela Security & Watchmen Agency and its Manager, Pastor Neri, and B.F. Goodrich Philippines.

During the hearing, the petitioner herein submitted copies of the aforementioned private security service agreement on the basis of which the company claimed that it was the Isabela Security & Watchmen Agency that was solely liable to pay the death compensation to the heirs of the deceased security guard.

Acting Chief, Brigido I. Tijamo of the Workmen's Compensation Unit rendered a decision in favor of the claimant Teodolfo Ochia holding B. F. Goodrich Philippines as the only employer of the deceased security guard and as such solely liable for death compensation benefits to be paid to the claimant. (p. 61, *ibid*.)

The decision of the hearing officer was affirmed by the Workmen's Compensation Commission en banc on October 28, 1975, the dispositive portion of which reads:

"WHEREFORE, the decision appealed from should be, as it is hereby AFFIRMED. The respondent B. F. Goodrich Philippines, Inc. is hereby ordered:

"1. To pay the claimants the sum of FOUR THOUSAND THREE HUNDRED SIXTY PESOS (P4,360.00) as compensation benefit and reimbursement of burial expenses under Section 8 of the Act, as amended;

"2. To Atty. Jose Azcarraga, Jr., the sum of FOUR HUNDRED SIXTEEN PESOS (P416.00) as attorney's fee under Section 31 of the Act, as amended; and

"3. To the Workmen's Compensation Fund, the sum of FORTY SEVEN PESOS (P47.00) as administration fee

and review costs under Section 55 of the Act, as amended.

"SO ORDERED." (p. 77, WCC records)

In this petition which seeks to review the above mentioned decision of the Commission, petitioner asserts that under the "Private Security Service Agreement" executed by the company and the Isabela Security & Watchmen Agency, the latter assumed full liability for any and all claims for compensation which may be filed under the Workmen's Compensation Act by any of the security guards assigned in the Tumahubong rubber plantation.

In disposing of this appeal, We hold that, although respondent Commission correctly applied in the instant case the Court's ruling in *Universal Corn Products, Inc. vs. Workmen's Compensation Commission, et al.*, decided on May 21, 1974, 57 SCRA 51, and rightly held B. F. Goodrich as the statutory employer of the security guard, Jose Ochia, inasmuch as the latter was working as such in the rubber plantation of the company and was therefore rendering services to the latter, nevertheless, the Commission erred in not declaring the other respondent Isabela Security & Watchmen Agency as a direct employer of the deceased security guard and is liable to reimburse B. F. Goodrich under the existing contract for the full amount the company may or shall pay to the claimant herein.

In *Aboitiz & Co. vs. Workmen's Compensation Commission and Pioneer Detective Credit Security Agency, et al.*, supra, the facts were: Anastacio Cañete was a security guard of Pioneer Detective Credit Security Agency, Inc., assigned by the latter to guard the premises of Aboitiz & Co. Cañete died from hypertensive heart disease in the course of his duty. The Workmen's Compensation Commission awarded the heirs of Cañete death compensation benefits to be paid by Aboitiz & Co. as the statutory employer. Aboitiz appealed to this Court. In Our Decision, the Court recognized the right of Aboitiz under its contract with the Security Agency to secure reimbursement and the Court ordered the Agency to pay Aboitiz all amounts the latter was adjudged to pay the claimants.

The situation of petitioner B.F. Goodrich falls squarely under the Aboitiz ruling. The agreement between petitioner herein and the Security Agency is explicit in that the latter assumes full liability for any and all compensations which may be due under the law to any of the security guards stationed at the Goodrich Rubber Plantation, and to secure that obligation, it filed a performance bond in the amount of P20,000.00.

PREMISES CONSIDERED, We modify the decision rendered by respondent Commission and order the Isabela Security & Watchmen Agency to reimburse and pay petitioner B. F. Goodrich Philippines all the amounts that were adjudged against the latter in this case, and for this purpose, B. F. Goodrich may, if it chooses, proceed directly against the Agency's performance bond of P20,000.00, in this same proceeding and secure a writ of execution thereon. In all other respects, the decision of the Commission stands. No costs.

SO ORDERED.

Teehankee, (Chairman), Makasiar, Fernandez, and Guerrero, JJ., concur.

[1] pp. 45-46, WCC records

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