

**UNIVERSAL CORN PRODUCTS, INC., PETITIONER, VS.
WORKMEN'S COMPENSATION COMMISSION AND PELAGIA
CALDERON, RESPONDENTS.***G.R. No. L-33463. May 21, 1974*

Ponente: MAKALINTAL, C.J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/b9a4a3e59140/>**MAKALINTAL, C.J.:**

This is a petition for review of the decision of the Workmen's Compensation Commission dated December 20, 1970, ordering the Universal Corn Products, Inc. to pay the claimant, Pelagia Calderon, the sum of Two Thousand Three Hundred Five and 44/100 Pesos (P2,305.44) as death compensation benefits and Two Hundred Pesos (P200.00) as reimbursement for burial expenses, to pay the claimant's counsel the sum of Two Hundred Fifty and 54/100 Pesos (P250.54) as attorney's fees, and the Workmen's Compensation Fund the sum of Thirty One Pesos (P31.00) as administrative costs: and of the resolution en banc, dated April 12, 1971, denying the motion for reconsideration.

On February 7, 1966 Pelagia Calderon filed with the Workmen's Compensation Unit, Regional Office No. 4, Manila, a claim against the Universal Corn Products, Inc. for compensation benefits for the death of her son, Ricardo Ramos. She alleged, inter alia, that he was employed by the respondent as a security guard from 1957 until October 7, 1964, when he died of pulmonary tuberculosis. In its answer the respondent denied the foregoing allegation and as evidence presented a contract executed on November 1, 1962 by and between its mother corporation, the Consolidated Foods Corporation, and the International Watchman Agency, wherein the latter engaged to furnish the former with uniformed guard service to guard and protect its warehouses, materials, machineries, and buildings. Among other things the contract provided that the watchmen agency would directly hire the security guards; that the watchmen agency would pay the guards in accordance with the Minimum Wage Law; that the watchman agency would put up a bond for P5,000.00 to secure the faithful performance of the terms and conditions of the contract; and that the watchman agency would hold the Company free from any liability and claim under the Minimum Wage Law, Workmen's Compensation Act, Employer's Liability Act and Eight Hour Labor Law. It was the respondent's theory that by virtue of said contract it had no employer-employee relationship with the deceased Ricardo Ramos and was therefore not liable under the Workmen's Compensation Act. Finding the respondent's theory to be untenable, the Hearing Referee in his decision dated February 20, 1967 awarded compensation benefits to the claimant. The respondent moved to reconsider but the motion was turned down; hence, it elevated the case to the Workmen's Compensation Commission. After proper proceedings Associate (Medical) Commissioner Herminia Castelo-Sotto rendered a decision dated December 20, 1970, affirming that of the Hearing Referee except as to the amount of the award, which was slightly modified. Taking exception to the finding regarding the existence of an employer-employee relationship with the deceased, the respondent sought reconsideration of the decision but was turned down again. Thereupon it instituted the instant petition for review.

The petitioner assigns two errors allegedly committed by the Workmen's Compensation Commission, namely: (1) in finding that the late Ricardo Ramos was its employee; and (2) in not declaring that the claim was already

barred.

We sustain the award in favor of the private respondent. Notwithstanding the terms and conditions of the contract with the International Watchman Agency, the petitioner was the employer of the deceased Ricardo Ramos within the purview of Section 39 (A) of the Workmen's Compensation Act, which provides:

"'Employer' includes every person or association of person, incorporated or not, public or private, and the legal representative of the deceased employer. It includes the owner or lessee of a factory or establishment or place of work or any other person who is virtually the owner or manager of the business carried on in the establishment or place of work but who for the reason that there is an independent contractor in the same, or for any other reason, is not the direct employer of laborers employed there."

There is no question that "the main business of the petitioner is the milling and manufacture of various corn products," while the security guards were furnished by the International Watchman Agency to guard and protect the petitioner's warehouses, materials, machineries, and buildings. Specifically, the Hearing Referee made the following findings regarding the nature of work performed by the deceased Ricardo Ramos: "As such security guard, the deceased's work consisted in guarding the premises of the respondent company, conducting inspections on outgoing and incoming trucks and persons. While in the performance of his work as such security guard, he was closely under the supervision of the proper authorities of the respondent company. The security guards were not provided with arms by the respondent company; they however, were provided with patches on their uniforms bearing the emblem of the company as well as that of the security agency." Furthermore, the respondent Commission found that the petitioner "indispensably needed the services of the security guards,x x x, to protect its business interest." Under the foregoing circumstances, it is evident that the work of the deceased was part of the usual business of the petitioner.[1] Consequently, even if the petitioner was not the direct employer of the deceased Ricardo Ramos in view of the intervention of an independent contractor, it was still the statutory employer and therefore liable for the compensation claimed.[2]

The petitioner's second assignment of error is likewise without merit. While it is true that the private respondent failed to file her claim within three (3) months from the death of Ricardo Ramos, the petitioner did not raise the defense of prescription before or during the trial before the Hearing Referee. Settled is the rule that said defense cannot be raised for the first time on appeal, it being presumed that it was waived upon the employer's failure to plead it before or during the trial.[3]

WHEREFORE, the decision of the Workmen's Compensation Commission, dated December 20, 1970 as well as the resolution en banc, dated April 12, 1971, denying the motion for reconsideration, is hereby affirmed, with costs against the petitioner.

Castro, Teehankee, Makasiar, Esguerra, and Muñoz Palma, JJ., concur.

[1] Larson in his authoritative treaties on Workmens's Compensation Law commented that it was not surprising that "it has been held that the function of a watchman falls within a company's usual business, even if he is supplied by an agency." (1A Larson, Workmen's Compensation Law. p. 869. 1970 ed.)

In *Gant vs. Jackson Brewing Company*, 112 So. 2d 767, one of the cases cited by Larson, the court made the following explanation why it considered the duties a watchman to be an integral and necessary part of the company's business. thus:

"x x x. We consider the duties in which plaintiff was engaged when he slipped and fell to be an integral and necessary part of defendant's business, trade or occupation. We do not think that it could be logically or successfully argued that the defendant in connection therewith would not require the services of employees or

police its plant by watching and guarding the safety and security thereof and protecting its operations, property and good will. On the contrary it is quite obvious that without watchmen or guards there would be the likelihood that the defendant could not conduct a successful business at all. Plaintiff's occupational duties were just as essential in defendant's operations as the duties performed by any of defendant's other employees, inclusive of those who operate the machinery utilized in manufacturing the products defendant deals insight should not be lost of the fact that plaintiff was carrying on duties no different than those which had been performed by defendant's own employees prior to the 1941 contract with Pinkerton Detective Agency. Defendant at all times deemed guards and watchmen essential plant employees."

[2] Manila Railroad Company vs. De la Peña, L-14204, June 30, 1961, 2 SCRA 665; Republic vs. Workmen's Compensation, L-22650, April 28, 1967, 19 SCRA 1022.

[3] Blanco vs. Workmen's Compensation Commission, L-21385-86, August 22, 1969, 29 SCRA 7 and the cases cited.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.