

MADRIGAL SHIPPING CO., INC., PETITIONER VS. WORKMEN'S COMPENSATION COMMISSION, ET AL., RESPONDENTS.

G. R. No. L-17495. June 29, 1962

Ponente: REYES, J.B.L., J.

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REYES, J.B.L., J.:

Appeal by Madrigal Shipping Company, Inc., from a decision of the Workmen's Compensation Commission requiring it to pay P3,694.00 to Primitiva Menchavez, widow, and to her minor children, by way of compensation for the death of Celso Lora, laborer accidentally killed while performing stevedoring work for the appellant Company on board the latter's vessel "Susana".

The claim for compensation had originally been filed with, and investigated by, Regional Office No. 3 of the Department of Labor, pursuant to Reorganization Plan No. 20-A. Said office having rendered an award in favor of the claimants as next of kin of the deceased, the Company appealed to the Workmen's Compensation Commission, urging that:

(a) The Regional Office had no authority to investigate the claim, because Reorganization Plan No. 20-A was invalid and unconstitutional, and

(b) There was no employer-employee relationship between the Company and the deceased, because the company had contracted only with the "Union" de Obreros Estivadores de Filipinos" (UOEF), which agreed to furnish stevedores, and assigned the deceased to the task in the course of which he met his end.

The Workmen's Compensation Commission, en banc, overruled both objections and affirmed the award. The Company then appealed to this Court, insisting on the defenses already mentioned.

We find no merit in the appeal.

With respect to the issue of jurisdiction, this Court has already ruled that Reorganization Plan 20-A can validly reapportion the jurisdiction over compensation claims, formerly held by the Workmen's Compensation Commission alone, to the various regional offices created under said plan (*La Mallorca vs. Ramos*, L-15476, Sept. 19, 1961; *San Miguel Brewery vs. Sobremesana*, L-18730, Sept. 16, 1961); and we see no reason to alter the doctrine.

On the existence of employer-employee relationship between the appellant Company and the late stevedore Celso Lora, we agree with the Commission that the contract between the Company and the Union, whereby the latter engaged to furnish laborers and stevedores when required, and the Company agreed to pay the stevedoring charges directly to the Union for subsequent distribution to the individual laborers, does not constitute the Union an independent contractor that would relieve the Company from liability as employer of the deceased. In the first place, the deceased was a member of the Union, and not its employee. The Union, as pointed out by the Commission, merely acted as an agent of the Company, relieving the latter of the necessity of dealing with individual laborers. Besides, the Union does not appear to have been required to file the contractor's bond required

by Act 3059, nor does it appear to have capital of its own invested in the conduct of its hiring activities, which are indicia characterizing independent contractors under the Workmen's Compensation laws (cf. *Flores vs. La Compania Maritima*, 57 Phil. 905). Not only that, but the Company's representatives retained control of the operations, as may be seen from the Union's contract, paragraph 4, that provides:

"Unloading of vessels shall commence immediately upon arrival, unless the employer's captain or representative directs otherwise; and the loading shall be started as soon as any hatch of the vessel is ready in the sound opinion of the employer's representative, to receive cargo."

Under the circumstances thus disclosed by the record, the Union can not be held to be an independent contractor whose intervention will' relieve the appellant Company from liability under the Workmen's Compensation Law; the latter includes among employers one who "is not the direct employer of laborers employed" in the establishment or place of work owned by him [sec. 39 (a)]. That indirect employment is no bar to liability for workmen's compensation has been repeatedly held (*Flores vs. Compania Maritima*, 57 Phil. 905; *Asia Steel vs. Workmen's Compensation Commission*, 97 Phil., 97; *Mansal vs. Gocheco Lumber Co.*, 96 Phil., 941; *U.S. Lines vs. Associated Watchmen & Security Union*, L-12208-11, May 21, 1958).

The decision appealed from is affirmed. Costs against appellant Madrigal Shipping Company, Inc.

Bengzon, C. J., Padilla, Bautista Angelo, Labrador, Concepcion, Barrera, Paredes, Dizon, Regala, and Makalintal, J.J., concur.

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