

ISABELO DOCE, PETITIONER, VS. WORKMEN'S COMPENSATION COMMISSION AND DADO JADAO, RESPONDENTS.

G.R. No. L-9417. December 22, 1958

Ponente: BAUTISTA ANGELO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/c6d0b0a3df19/>

BAUTISTA ANGELO, J.:

Dado Jadao filed with the Workmen's Compensation Commission a claim for compensation against Isabelo Doce for injuries he suffered in an accident that occurred on June 11, 1953 in the City of Manila while working as a conductor of a bus belonging to the latter under a boundary system. Doce interposed the defense that there was no employer-employee relationship between him and Jadao and hence the Commission has no jurisdiction to act on the claim.

The claim was assigned to a referee for hearing who, after receiving the evidence, rendered decision holding that a conductor who works under the boundary system in the operation of the bus of another is considered an employee of the latter within the meaning of the law and as such Doce is responsible to pay to Jadao the compensation prescribed in the Workmen's Compensation Act. Consequently, the referee ordered Doce to pay Jadao a compensation of P757.43, plus the cost of the medical and surgical expenses incurred by the latter, and to pay the Commission the amount of P8.00 as fees in accordance with the law. This decision was affirmed by the Commission on July 2, 1955. Doce interposed the present petition for review.

The facts as found by the Commission are: Dado Jadao was a conductor of Bus No. 9 of the B-Twelve Liner owned and operated by Isabelo Doce who was paid under the boundary system. His average daily earnings as conductor was P4.00, working five days a week. On June 11, 1953, while acting as such conductor, Jadao was pinned by two buses on Quezon Boulevard, Manila, suffering injuries on the right leg, head and left ear. He was treated in the North General Hospital and in the National Orthopedic Hospital, and as a result he suffered temporary total disability from June 11, 1953 to May 10, 1954 and a partial loss of the use of his right leg.

It was also proven that under the boundary system adopted by petitioner and respondent, the driver and conductor of the bus gave to the owner a fixed amount out of the daily earnings derived from its operation. In this case, the conductor and the driver used to give to respondent F15.00 daily. The owner supplied the gasoline at the beginning but its cost is later reimbursed out of the earnings of the day. After deducting the cost of the gasoline and the rental of P15.00, the remainder is divided between the conductor and the driver.

The issue to be determined is whether the employer-employee relationship existed between the owner of the bus and the conductor considering that the latter worked under a boundary system as explained above and is not paid directly by the former.

This case falls squarely within our ruling in *National Labor Union vs. Dinglasan*, 52 Off. Gaz., No. 4,1933, wherein this Court held that a driver of a jeep who operates the same under the boundary system is considered an employee within the meaning of the law and as such the case comes under the jurisdiction of the Court of Industrial Relations. In that case, Benedicto Dinglasan was the owner and operator of TPU jeepneys which were

driven by petitioners under verbal contracts that they will pay P7.50 for 10 hours use under the so-called "boundary system." The drivers did not receive salaries or wages from the owner. Their day's earnings were the excess over the P7.50 they paid for the use of the jeepneys. In the event that they did not earn more, the owner did not have to pay them anything. In holding that the employer-employee relationship existed between the owner of the jeepneys and the drivers even if the latter worked under the boundary system, this Court said:

"The only features that would make the relationship of lessor and lessee between the respondent, owner of the jeeps, and the drivers, members of the petitioner union, are the fact that he doesnot pay them any fixed wage but their compensation is the excess of the total amount of fares earned or collected by them over and above the amount of P7.50 which they agreed to pay to the respondent, and the fact that the gasoline burned by the jeeps is for the account of the drivers. These two features are not, however, sufficient to withdraw the relationship between them from that of employer-employee, because the estimated earnings for fares must be over and above the amount they agreed to pay to the respondent for a ten-hour shift or ten-hour a day operation of the jeeps. Not having any interest in the business because they did not invest anything in the acquisition of the jeeps and did not participate in the management thereof, their service as drivers of the jeeps being their only contribution to the business, the relationship of lessor and lessee cannot be sustained."

The contention of petitioner that the relation that existed between him and the respondent is only one of lessor and lessee cannot therefore be sustained.

Wherefore, the decision appealed from is affirmed, with costs against petitioner.

Paras, C. J., Bengzon, Padilla, Labrador, Concepcion, Reyes, J. B. L., and Endencia, JJ., concur.

Decision affirmed.

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.