

NORTHERN MOTORS, INC., PETITIONER, VS. WORKMEN'S COMPENSATION COMMISSION AND TERESITA VILLAPANIA, RESPONDENTS.

G.R. No. L-30587. October 28, 1977

Ponente: FERNANDEZ, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/f584253da582/>

FERNANDEZ, J.:

This is a petition for review of the decision dated March 19, 1969[1] and the Resolution of the WCC en banc dated May 21, 1969[2] in WC Case No. R04-91439 entitled "Teresita Villapania, et al., vs. Northern Motors, Inc. and Detective and Protective Bureau Inc.".

The private respondent, Teresita Villapania, in her behalf and in behalf of her minor children, Emilio, Enrique, Ernesto, Elias, Orlando and Jesus, all surnamed Bautista, filed a compensation claim against Northern Motors, Inc., (hereinafter called NMI for short) and Detective & Protective Bureau, Inc. (hereinafter called DPBI for short) for the accidental death on July 13, 1965 of her husband, Emilio S. Bautista, an employee of the respondent DPBI but assigned as watchman of the respondent, NMI, before the Workmen's Compensation Unit, Regional Office No. 4; that respondent DPBI submitted its employer's report admitting that the deceased Emilio S. Bautista was its employee and was injured in regular occupation and signified its intention to controvert the claim but without stating any ground or reason for such controversion; that the other respondent, NMI, did not controvert the claim; that in their contract, the DPBI assumed all responsibility for the proper performance of the duties of all the security guards and agreed to hold NMI free from any liability under the Workmen's Compensation Act; that the DPBI executed a bond in favor of the NMI in the amount of P10,000.00 to secure full performance by DPBI of its obligations under the contract; that the Acting Referee of Region 4 rendered an award the dispositive portion of which reads:

"AWARD, therefore, is hereby rendered and the respondents Northern Motors, Inc. and Detective & Protective Bureau, Inc., are ordered jointly and severally to pay:

1. The claimant, thru this Office, the total sum of FIVE THOUSAND ONE HUNDRED EIGHTY FIVE PESOS and 60/100 (P5,185.60), as compensation and reimbursement of burial expenses; and
2. This Office, the sum of FIFTY PESOS (P50.00) as fee, pursuant to the provisions of Section 55 of the Act, Bill No. W-1163-65 is attached.

SO ORDERED.

Manila, June 17, 1966.

(Sgd.) ATANACIO A. MARDO

Acting Chief Referee & Chief of Section"[3]

Upon denial of both respondents' Motions to lift Order of Award and to Set the case for hearing and trial, the case

was elevated to the Workmen's Compensation Commission. A decision dated March 19, 1969 was rendered by Associate Commissioner Paciano C. Villavieja the dispositive portion of which reads:

"In view of all the fore-going, the award sought to be reconsidered should be, as it is hereby modified and the respondent, the NMI is hereby or-dered to pay the claimants, through this Commission, the total amount of FIVE THOUSAND ONE HUNDRED AND EIGHTY-FIVE PESOS and 60/100 to pay to the Workmen's Compensation Fund, as costs, pursuant to Section 55 of the said Act, the total sum of FIFTY-FIVE (P55.00), which includes the P5.00 fees for his review.

WHEREFORE, as above modi-fied in part, the award under review should be, as it is hereby affirmed.

SO ORDERED.

Quezon City, Philippines, March 19, 1969.

(Sgd.) PACIANO C. VILLAVIEJA

Associate Commissioner"[4]

The NMI filed a petition for reconsideration of said decision. The Workmen's Compensation Commission in a resolution en banc dated July 21, 1969,[5] denied the pe-tition for reconsideration.

This Court issued a resolution dated July 8, 1969 denying the petition.[6]

Upon considering the motion for reconsideration filed by petitioner and the respondents' comment thereon, this Court gave due course to the petition for review in a re-solution dated September 3, 1969.[7]

The petitioner assigns the following errors:

"I

THE WORKMEN'S COMPENSATION COMMISSION EN BANC (WCC) ERRED IN DEPRIVING PETITIONER OF THE RIGHT TO A HEARING ON THE CON-TROVERTED COMPENSATION CLAIM.

II

THE WCC ERRED IN NOT HOLDING THAT THE DETECTIVE & PROTECTIVE BUREAU, INC. (DPBI) IS A BONA FIDE INDEPENDENT CONTRACTOR AND EXCLUSIVE EMPLOYER OF THE DECEASED EMILIO S. BAUTISTA.

III

THE WCC ERRED IN HOLDING THAT PETITIONER WAS THE STATUTORY EMPLOYER OF THE DECEASED EMILIO S. BAUTISTA.

IV

THE WCC ERRED IN ORDERING PETITIONER TO PAY P5,185.60 TO RESPONDENT TERESITA VILLAPANIA AND P55.00 TO THE WORKMEN'S COMPENSATION FUND."[8]

To support its contention that it is not liable for the compensation award, the petitioner invokes the Contract of Service, (Annex "E-2") executed by it with DPBI, the pertinent provisions of which are:

"(c) THE AGENCY hereby assumes and undertakes any and all responsibilities for the proper performance of the duties of all the security guards fur-nished by it; THE AGENCY fur-ther holds and binds itself to answer

for all losses and damages, which through any commission of acts or omission of duties by such security guards, may be the cause or reason of the losses and damages to THE COMPANY; and by way of guarantee for this obligation, THE AGENCY hereby furnishes a Surety Bond of TEN THOUSAND PESOS, (P10,000.00), Philippine Currency, payable to THE COMPANY herein above mentioned.

(d) The said guards shall be directly hired by THE AGENCY, and this contract of employment shall not be between THE COMPANY and any of the guards hired or taken by THE AGENCY, but merely as a contract covering conditions of employment of THE AGENCY, it being clearly understood and agreed upon that this contract is solely between THE COMPANY and THE AGENCY.

(e) THE AGENCY hereby undertakes to pay the wages of said security guards in accordance with the provisions of the Minimum Wage Law (Republic Act No. 60-2) and of the rules and regulations issued by the Wage Administration Service implementing the same, assuming all responsibilities therefor.

(f) THE AGENCY also agrees to hold THE COMPANY free from any liability, cause or causes of action, claim or claims, which may be filed by any of its security guards by reason of their employment under this contract or under the provisions of the Minimum Wage Law, Workmen's Compensation Act, Employer's Liability Act, Eight Hour Labor Law, and any other law or laws which are now in effect or which may hereafter be enacted."[9]

The applicable provision of the Workmen's Compensation Act is Sec. 39 (a) which reads:

"'Employer' includes every person or association of persons, 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."

This Court, in a case[10] with facts similar to the facts in the case at bar, ruled:

"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, machines, and buildings. Specifically, 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 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, xxx 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. 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." (Ibid., pp. 54-55)

In the recent case of *Aboitiz Co., Inc. vs. Workmen's Compensation Commission, et al.*, [11] this Court reiterated the statutory employer liability of the company furnished with security guards by the agency as independent contractor but upheld the terms embodied in their contract of service whereby the company, upon payment of the award to the claimant, has the right of reimbursement from the agency by virtue of such contract of security guard service. The pertinent portion of the decision reads:

"Petitioner has valid cause for complaint. Under its contract for security guard service with respondent security

agency, the latter had expressly assumed sole responsibility for all liabilities under the labor laws including the Workmen's Compensation Act that may be claimed by the guard, as follows:

'h) The AGENCY shall solely assume all responsibilities and liabilities for any claim or demand by or against the guard arising under all Philippine Labor Laws, including overtime pay, extra compensation on Sundays and legal holidays, liability under the Workmen's Compensation Act, Social Security Act. x x x.'

While petitioner was statutorily liable for the death compensation for purposes of the Workmen's Compensation Act, still the security agency should be held ultimately liable as the direct employer who employed and furnished the security guard in pursuance of its business of providing business establishments with the services of security guards. Furthermore, as already indicated, the security agency was contractually liable to hold petitioner safe and harmless from any such claims by virtue of the agency's express contractual undertaking to assume sole and ultimate liability therefor."^[12]

In the present case, the DPBI has agreed to hold the NMI free from any liability for claims under the labor laws that may be filed by the security guards.

WHEREFORE, the decision and resolution of the Workmen's Compensation Commission sought to be reviewed are hereby affirmed with the modification that the amounts to be paid shall be P6,000.00 as death compensation, P200.00 as reimbursement for burial expenses, P600.00 as attorney's fees and P61.00 as administrative costs and that the Detective & Protective Bureau, Inc. shall reimburse the petitioner, Northern Motors, Inc., whatever amount the latter shall pay on the award in favor of the claimants represented by the private respondent, Teresita Villapania, and the fees, without costs.

SO ORDERED.

Teehankee, (Chairman), Makasiar, Muñoz Palma, Martin, and Guerrero, JJ., concur.

[1] Annex "D", Rollo, pp. 26-30.

[2] Annex "F", Rollo, p. 50.

[3] Annex "A", Rollo, p. 21.

[4] Annex "D", p. 30.

[5] Annex "F", Rollo, p. 50.

[6] Rollo, p. 52.

[7] Rollo, p. 67.

[8] Brief for the Petitioner, pp. 1-2, Rollo, p. 106.

[9] Rollo, pp. 43-44.

[10] Universal Corn Products, Inc. vs. Workmen's Compensation Commission, 57 SCRA 51.

[11] G. R. No. L-42134, April 30, 1976, 70 SCRA 611.

[12] Ibid., pp. 613-614.

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.