

**MERALCO INDUSTRIAL ENGINEERING SERVICES CORPORATION,
Petitioner, vs. NATIONAL LABOR RELATIONS COMMISSION, OFELIA P.
LANDRITO GENERAL SERVICES and/or OFELIA P. LANDRITO,
Responde...**

G.R. No. 145402. March 14, 2008

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

Before this Court is a Petition for Review on Certiorari under Rule 45 of the 1997 Revised Rules of Civil Procedure seeking to reverse and set aside (1) the Decision[1] of the Court of Appeals in CA-G.R. SP No. 50806, dated 24 April 2000, which modified the Decision[2] of the National Labor Relations Commission (NLRC), dated 30 January 1996 in NLRC NCR CA No. 001737-91 (NLRC NCR Case No. 00-09-04432-89), and thereby held the petitioner solidarily liable with the private respondents for the satisfaction of the separation pay of the latter's employees; and (2) the Resolution[3] of the appellate court, dated 27 September 2000, in the same case which denied the petitioner's Motion for Reconsideration.

Petitioner Meralco Industrial Engineering Services Corporation (MIESCOR) is a corporation duly organized and existing under the laws of the Republic of the Philippines and a client of private respondents. Private respondent Ofelia P. Landrito General Services (OPLGS) is a business firm engaged in providing and rendering general services, such as janitorial and maintenance work to its clients, while private respondent Ofelia P. Landrito is the Proprietor and General Manager of OPLGS.

The factual milieu of the present case is as follows:

On 7 November 1984, petitioner and private respondents executed Contract Order No. 166-84,[4] whereby the latter would supply the petitioner janitorial services, which include labor, materials, tools and equipment, as well as supervision of its assigned employees, at petitioner's Rockwell Thermal Plant in Makati City. Pursuant thereto, private respondents assigned their 49 employees as janitors to petitioner's Rockwell Thermal Plant with a daily wage of P51.50 per employee.

On 20 September 1989, however, the aforesaid 49 employees (complainants) lodged a Complaint for illegal deduction, underpayment, non-payment of overtime pay, legal holiday pay, premium pay for holiday and rest day and night differentials[5] against the private respondents before the Labor Arbiter. The case was docketed as NLRC NCR Case No. 00-09-04432-89.

In view of the enactment of Republic Act No. 6727,[6] the contract between the petitioner and the private respondents was amended[7] for the 10th time on 3 November 1989 to increase the minimum daily wage per employee from P63.55 to P89.00 or P2,670.00 per month. Two months thereafter, or on 2 January 1990,[8] petitioner sent a letter to private respondents informing them that effective at the close of business hours on 31 January 1990, petitioner was terminating Contract Order No. 166-84. Accordingly, at the end of the business

hours on 31 January 1990, the complainants were pulled out from their work at the petitioner's Rockwell Thermal Plant. Thus, on 27 February 1990, complainants amended their Complaint to include the charge of illegal dismissal and to implead the petitioner as a party respondent therein.

Since the parties failed to settle amicably before the Labor Arbiter, they submitted their respective position papers and other pleadings together with their documentary evidence. Thereafter, a Decision was rendered by the Labor Arbiter on 26 March 1991, dismissing the Complaint against the petitioner for lack of merit, but ordering the private respondents to pay the complainants the total amount of P487,287.07 representing unpaid wages, separation pay and overtime pay; as well as attorney's fees in an amount equivalent to 10% of the award or P48,728.70. All other claims of the complainants against the private respondents were dismissed. [9]

Feeling aggrieved, private respondents appealed the aforesaid Decision to the NLRC. Private respondents alleged, among other things, that: (1) 48 of the 49 complainants had executed affidavits of desistance and they had never attended any hearing nor given any authority to anyone to file a case on their behalf; (2) the Labor Arbiter erred in not conducting a full-blown hearing on the case; (3) there is only one complainant in that case who submitted a position paper on his own; (4) the complainants were not constructively dismissed when they were not given assignments within a period of six months, but had abandoned their jobs when they failed to report to another place of assignment; and (5) the petitioner, being the principal, was solidarily liable with the private respondents for failure to make an adjustment on the wages of the complainants.[10] On 28 May 1993, the NLRC issued a Resolution[11] affirming the Decision of the Labor Arbiter dated 26 March 1991 with the modification that the petitioner was solidarily liable with the private respondents, ratiocinating thus:

We, however, disagree with the dismissal of the case against [herein petitioner]. Under Art. 107[12] of the Labor Code of the Philippines, [herein petitioner] is considered an indirect employer and can be held solidarily liable with [private respondents] as an independent contractor. Under Art. 109,[13] for purposes of determining the extent of its liability, [herein petitioner] is considered a direct employer, hence, it is solidarily liable for complainant's (sic) wage differentials and unpaid overtime. We find this situation obtaining in this case in view of the failure of [private respondents] to pay in full the labor standard benefits of complainants, in which case liability is limited thereto and does not extend to the establishment of employer-employee relations.[14] [Emphasis supplied].

Both private respondents and petitioner separately moved for reconsideration of the aforesaid Resolution of the NLRC. In their Motion for Reconsideration, private respondents reiterated that the complainants abandoned their work, so that private respondents should not be liable for separation pay; and that petitioner, not private respondents, should be liable for complainants' other monetary claims, i.e., for wage differentials and unpaid overtime. The petitioner, in its own Motion for Reconsideration, asked that it be excluded from liability. It averred that private respondents should be solely responsible for their acts as it sufficiently paid private respondents all the benefits due the complainants.

On 30 July 1993, the NLRC issued an Order[15] noting that based on the records of the case, the judgment award in the amount of P487,287.07 was secured by a surety bond posted by the private respondents;[16] hence, there was no longer any impediment to the satisfaction of the complainants' claims. Resultantly, the NLRC denied the private respondents' Motion for Reconsideration. The NLRC likewise directed the Labor Arbiter to enforce the monetary award against the private respondents' surety bond and to determine who should finally shoulder the liability therefor.[17]

Alleging grave abuse of discretion of the NLRC in its issuance of the Resolution and Order dated 28 May 1993 and 30 July 1993, respectively, private respondents filed before this Court a Petition for Certiorari with prayer for the issuance of a writ of preliminary injunction. The same was docketed as G.R. No. 111506 entitled *Ofelia*

Landrito General Services v. National Labor Relations Commission. The said Petition suspended the proceedings before the Labor Arbiter.

On 23 May 1994, however, this Court issued a Resolution[18] dismissing G.R. No. 111506 for failure of private respondents to sufficiently show that the NLRC had committed grave abuse of discretion in rendering its questioned judgment. This Court's Resolution in G.R. No. 111506 became final and executory on 25 July 1994.[19]

As a consequence thereof, the proceedings before the Labor Arbiter resumed with respect to the determination of who should finally shoulder the liability for the monetary awards granted to the complainants, in accordance with the NLRC Order dated 30 July 1993.

On 5 October 1994, the Labor Arbiter issued an Order,[20] which reads:

As can be gleaned from the Resolution dated [28 May 1993], there is that necessity of clarifying the respective liabilities of [herein petitioner] and [herein private respondents] insofar as the judgment award in the total sum of P487,287.07 is concerned.

The judgment award in the total sum of P487,287.07 as contained in the Decision dated [26 March 1991] consists of three (3) parts, as follows: First, the judgment award on the underpayment; Second, the judgment award on separation pay; and Third, the judgment award on the overtime pay.

The question now is: Which of these awards is [petitioner] solidarily liable with [private respondents]?

An examination of the record elicits the finding that [petitioner] is solidarily liable with [private respondents] on the judgment awards on the underpayment and on the non-payment of the overtime pay. xxx. This joint and several liability of the contractor [private respondents] and the principal [petitioner] is mandated by the Labor Code to assure compliance of the provisions therein, including the statutory minimum wage (Art. 99,[21] Labor Code). The contractor-agency is made liable by virtue of his status as direct employer. The principal, on the other hand, is made the indirect employer of the contractor-agency's employees for purposes of paying the employees their wages should the contractor-agency be unable to pay them. This joint and several liability facilitates, if not guarantees, payment of the workers performance of any work, task, job or project, thus giving the workers ample protection as mandated by the 1987 Constitution.

In sum, the complainants may enforce the judgment award on underpayment and the non-payment of overtime pay against either [private respondents] and/or [petitioner].

However, in view of the finding in the Decision that [petitioner] had adjusted its contract price for the janitorial services it contracted with [private respondents] conforming to the provisions of Republic Act No. 6727, should the complainants enforce the judgment on the underpayment and on the non-payment of the overtime pay against (sic) [petitioner], the latter can seek reimbursement from the former [meaning (private respondents)], but should the judgment award on the underpayment and on the non-payment of the overtime pay be enforced against [private respondents], the latter cannot seek reimbursement against [petitioner].

The judgment award on separation pay is the sole liability of [private respondents].

WHEREFORE, [petitioner] is jointly and severally liable with [private respondents] in the judgment award on underpayment and on the non-payment of overtime pay. Should the complainants enforce the above judgment award against [petitioner], the latter can seek reimbursement against [private respondents], but should the aforementioned judgment award be enforced against [private respondents], the latter cannot seek reimbursement from the [petitioner].

The judgment award on the payment of separation pay is the sole liability of [private respondents].

Let an alias writ of execution be issued. [Emphasis supplied].

Again, both the private respondents and the petitioner appealed the afore-quoted Order of the Labor Arbiter to the NLRC. On 25 April 1995, the NLRC issued a Resolution[22] affirming the Order dated 5 October 1994 of the Labor Arbiter and dismissing both appeals for non-posting of the appeal or surety bond and/or for utter lack of merit.[23] When the private respondents and the petitioner moved for reconsideration, however, it was granted by the NLRC in its Order[24] dated 27 July 1995. The NLRC thus set aside its Resolution dated 25 April 1995, and directed the private respondents and the petitioner to each post an appeal bond in the amount of P487,287.62 to perfect their respective appeals.[25] Both parties complied.[26]

On 30 January 1996, the NLRC rendered a Decision modifying the Order of the Labor Arbiter dated 5 October 1994, the dispositive portion of which reads:

WHEREFORE, the [21 November 1994] appeal of [herein petitioner] is hereby granted. The [5 October 1994] Order of Labor Arbiter Donato G. Quinto, Jr., is modified to the extent that it still held [petitioner] as “jointly and severally liable with [herein private respondents] in the judgment award on underpayment and on the non-payment of overtime pay,” our directive being that the Arbiter should now satisfy said labor-standards award, as well as that of the separation pay, exclusively through the surety bond posted by [private respondents].[27] [Emphasis supplied].

Dissatisfied, private respondents moved for the reconsideration of the foregoing Decision, but it was denied by the NLRC in an Order[28] dated 30 October 1996. This NLRC Order dated 30 October 1996 became final and executory on 29 November 1996.

On 4 December 1996, private respondents filed a Petition for Certiorari[29] before this Court assailing the Decision and the Order of the NLRC dated 30 January 1996 and 30 October 1996, respectively. On 9 December 1998, this Court issued a Resolution[30] referring the case to the Court of Appeals conformably with its ruling in *St. Martin Funeral Home v. National Labor Relations Commission*. [31] The case was docketed before the appellate court as CA-G.R. SP No. 50806.

The Petition made a sole assignment of error, to wit:

THE HONORABLE COMMISSION GRAVELY ERRED AND GRAVELY ABUSED ITS DISCRETION IN FINDING THAT THE ULTIMATE LIABILITY SHOULD FALL ON THE [HEREIN PRIVATE RESPONDENTS] ALONE, WITHOUT REIMBURSEMENT FROM THE [HEREIN PETITIONER], IN ORDER TO SATISFY THE MONETARY AWARDS OF THE [THEREIN COMPLAINANTS].[32]

After due proceedings, the Court of Appeals rendered the assailed Decision on 24 April 2000, modifying the Decision of the NLRC dated 30 January 1996 and holding the petitioner solidarily liable with the private respondents for the satisfaction of the laborers’ separation pay. According to the Court of Appeals:

The [NLRC] adjudged the payment of separation pay to be the sole responsibility of [herein private respondents] because (1) there is no employer-employee relationship between [herein petitioner] and the forty-nine (49) [therein complainants]; (2) the payment of separation pay is not a labor standard benefit. We disagree.

Again, We quote Article 109 of the Labor Code, as amended, viz:

“The provisions of existing laws to the contrary notwithstanding, every employer or indirect employer shall be held responsible with his contractor or subcontractor for any violation of any provision of this Code...”

The abovementioned statute speaks of “any violation of any provision of this Code.” Thus, the existence or non-existence of employer-employee relationship and whether or not the violation is one of labor standards is

immaterial because said provision of law does not make any distinction at all and, therefore, this Court should also refrain from making any distinction. Concomitantly, [herein petitioner] should be jointly and severally liable with [private respondents] for the payment of wage differentials, overtime pay and separation pay of the [therein complainants]. The joint and several liability imposed to [petitioner] is, again, without prejudice to a claim for reimbursement by [petitioner] against [private respondents] for reasons already discusses (sic).

WHEREFORE, premises studiedly considered, the assailed 30 January 1996 decision of [the NLRC] is hereby modified insofar as [petitioner] should be held solidarily liable with [the private respondents] for the satisfaction of the laborers' separation pay. No pronouncement as to costs.[33] [Emphasis supplied].

The petitioner filed a Motion for Reconsideration of the aforesaid Decision but it was denied by the Court of Appeals in a Resolution dated 27 September 2000.

Petitioner now comes before this Court via a Petition for Review on Certiorari, docketed as G.R. No. 145402, raising the sole issue of "whether or not the Honorable Court of Appeals palpably erred when it went beyond the issues of the case as it modified the factual findings of the Labor Arbiter which attained finality after it was affirmed by Public Respondent NLRC and by the Supreme Court which can no longer be disturbed as it became the law of the case." [34]

Petitioner argues that in the assailed Decision dated 24 April 2000, the Court of Appeals found that the sole issue for its resolution was whether the ultimate liability to pay the monetary awards in favor of the 49 employees falls on the private respondents without reimbursement from the petitioner. Hence, the appellate court should have limited itself to determining the right of private respondents to still seek reimbursement from petitioner for the monetary awards on the unpaid wages and overtime pay of the complainants.

According to petitioner, the NLRC, in its Resolution dated 28 May 1993, already found that petitioner had fully complied with its salary obligations to the complainants. Petitioner invokes the same NLRC Resolution to support its claim that it was not liable to share with the private respondents in the payment of separation pay to complainants. When private respondents questioned the said NLRC Resolution in a Petition for Certiorari with this Court, docketed as G.R. No. 111506, this Court found that the NLRC did not commit grave abuse of discretion in the issuance thereof and accordingly dismissed private respondents' Petition. Said NLRC Resolution, therefore, has since become final and executory and can no longer be disturbed for it now constitutes the law of the case.

Assuming for the sake of argument that the Court of Appeals can still take cognizance of the issue of petitioner's liability for complainants' separation pay, petitioner asserts that the appellate court seriously erred in concluding that it is jointly and solidarily liable with private respondents for the payment thereof. The payment of separation pay should be the sole responsibility of the private respondents because there was no employer-employee relationship between the petitioner and the complainants, and the payment of separation pay is not a labor standards benefit.

Law of the case has been defined as the opinion delivered on a former appeal. It is a term applied to an established rule that when an appellate court passes on a question and remands the case to the lower court for further proceedings, the question there settled becomes the law of the case upon subsequent appeal. It means that whatever is once irrevocably established as the controlling legal rule or decision between the same parties in the same case continues to be the law of the case, whether correct on general principles or not, so long as the facts on which such decision was predicated continue to be the facts of the case before the court.[35] Indeed, courts must adhere thereto, whether the legal principles laid down were "correct on general principles or not" or "whether the question is right or wrong" because public policy, judicial orderliness and economy require such stability in the

final judgments of courts or tribunals of competent jurisdiction.[36]

Petitioner's application of the law of the case principle to the case at bar as regards its liability for payment of separation pay is misplaced.

The only matters settled in the 23 May 1994 Resolution of this Court in G.R. No. 111506, which can be regarded as the law of the case, were (1) both the petitioner and the private respondents were jointly and solidarily liable for the judgment awards due the complainants; and (2) the said judgment awards shall be enforced against the surety bond posted by the private respondents. However, the issue as regards the liability of the petitioner for payment of separation pay was yet to be resolved because precisely, the NLRC, in its Order dated 30 July 1993, still directed the Labor Arbiter to make a determination on who should finally shoulder the monetary awards granted to the complainants. And it was only after G.R. No. 111506 was dismissed by this Court that the Labor Arbiter promulgated his Decision dated 5 October 1994, wherein he clarified the respective liabilities of the petitioner and the private respondents for the judgment awards. In his 5 October 1994 Decision, the Labor Arbiter explained that the solidary liability of the petitioner was limited to the monetary awards for wage underpayment and non-payment of overtime pay due the complainants, and it did not, in any way, extend to the payment of separation pay as the same was the sole liability of the private respondents.

Nonetheless, this Court finds the present Petition meritorious.

The Court of Appeals indeed erred when it ruled that the petitioner was jointly and solidarily liable with the private respondents as regards the payment of separation pay.

The appellate court used as basis Article 109 of the Labor Code, as amended, in holding the petitioner solidarily liable with the private respondents for the payment of separation pay:

ART. 109. Solidary Liability. - The provisions of existing laws to the contrary notwithstanding, every employer or indirect employer shall be held responsible with his contractor or subcontractor for any violation of any provision of this Code. For purposes of determining the extent of their civil liability under this Chapter, they shall be considered as direct employers. [Emphasis supplied].

However, the afore-quoted provision must be read in conjunction with Articles 106 and 107 of the Labor Code, as amended.

Article 107 of the Labor Code, as amended, defines an indirect employer as "any person, partnership, association or corporation which, not being an employer, contracts with an independent contractor for the performance of any work, task, job or project." To ensure that the contractor's employees are paid their appropriate wages, Article 106 of the Labor Code, as amended, provides:

ART. 106. CONTRACTOR OR SUBCONTRACTOR. - x x x.

In the event that the contractor or subcontractor fails to pay the wages of his employees in accordance with this Code, the employer shall be jointly and severally liable with his contractor or subcontractor to such employees to the extent of the work performed under the contract, in the same manner and extent that he is liable to employees directly employed by him. [Emphasis supplied].

Taken together, an indirect employer (as defined by Article 107) can only be held solidarily liable with the independent contractor or subcontractor (as provided under Article 109) in the event that the latter fails to pay the wages of its employees (as described in Article 106).

Hence, while it is true that the petitioner was the indirect employer of the complainants, it cannot be held liable in the same way as the employer in every respect. The petitioner may be considered an indirect employer only for

purposes of unpaid wages. As this Court succinctly explained in *Philippine Airlines, Inc. v. National Labor Relations Commission*[37]:

While USSI is an independent contractor under the security service agreement and PAL may be considered an indirect employer, that status did not make PAL the employer of the security guards in every respect. As correctly posited by the Office of the Solicitor General, PAL may be considered an indirect employer only for purposes of unpaid wages since Article 106, which is applicable to the situation contemplated in Section 107, speaks of wages. The concept of indirect employer only relates or refers to the liability for unpaid wages. Read together, Articles 106 and 109 simply mean that the party with whom an independent contractor deals is solidarily liable with the latter for unpaid wages, and only to that extent and for that purpose that the latter is considered a direct employer. The term “wage” is defined in Article 97(f) of the Labor Code as “the remuneration of earnings, however designated, capable of being expressed in terms of money, whether fixed or ascertained on a time, task, piece, or commission basis, or other method of calculating the unwritten contract of employment for work done or to be done, or for services rendered or to be rendered and includes the fair and reasonable value, as determined by the Secretary of Labor, of board, lodging, or other facilities customarily furnished by the employer to the employee.”

Further, there is no question that private respondents are operating as an independent contractor and that the complainants were their employees. There was no employer-employee relationship that existed between the petitioner and the complainants and, thus, the former could not have dismissed the latter from employment. Only private respondents, as the complainants’ employer, can terminate their services, and should it be done illegally, be held liable therefor. The only instance when the principal can also be held liable with the independent contractor or subcontractor for the backwages and separation pay of the latter’s employees is when there is proof that the principal conspired with the independent contractor or subcontractor in the illegal dismissal of the employees, thus:

The liability arising from an illegal dismissal is unlike an order to pay the statutory minimum wage, because the workers’ right to such wage is derived from law. The proposition that payment of back wages and separation pay should be covered by Article 109, which holds an indirect employer solidarily responsible with his contractor or subcontractor for “any violation of any provision of this Code,” would have been tenable if there were proof - there was none in this case - that the principal/employer had conspired with the contractor in the acts giving rise to the illegal dismissal. [38]

It is the established fact of conspiracy that will tie the principal or indirect employer to the illegal dismissal of the contractor or subcontractor’s employees. In the present case, there is no allegation, much less proof presented, that the petitioner conspired with private respondents in the illegal dismissal of the latter’s employees; hence, it cannot be held liable for the same.

Neither can the liability for the separation pay of the complainants be extended to the petitioner based on contract. Contract Order No. 166-84 executed between the petitioner and the private respondents contains no provision for separation pay in the event that the petitioner terminates the same. It is basic that a contract is the law between the parties and the stipulations therein, provided that they are not contrary to law, morals, good customs, public order or public policy, shall be binding as between the parties.[39] Hence, if the contract does not provide for such a liability, this Court cannot just read the same into the contract without possibly violating the intention of the parties.

It is also worth noting that although the issue in CA-G.R. SP No. 50806 pertains to private respondents’ right to reimbursement from petitioner for the “monetary awards” in favor of the complainants, they limited their arguments to the monetary awards for underpayment of wages and non-payment of overtime pay, and were conspicuously silent on the monetary award for separation pay. Thus, private respondents’ sole liability for the

separation pay of their employees should have been deemed settled and already beyond the power of the Court of Appeals to resolve, since it was an issue never raised before it.[40]

Although petitioner is not liable for complainants' separation pay, the Court conforms to the consistent findings in the proceedings below that the petitioner is solidarily liable with the private respondents for the judgment awards for underpayment of wages and non-payment of overtime pay.

In this case, however, private respondents had already posted a surety bond in an amount sufficient to cover all the judgment awards due the complainants, including those for underpayment of wages and non-payment of overtime pay. The joint and several liability of the principal with the contractor and subcontractor were enacted to ensure compliance with the provisions of the Labor Code, principally those on statutory minimum wage. This liability facilitates, if not guarantees, payment of the workers' compensation, thus, giving the workers ample protection as mandated by the 1987 Constitution.[41] With private respondents' surety bond, it can therefore be said that the purpose of the Labor Code provision on the solidary liability of the indirect employer is already accomplished since the interest of the complainants are already adequately protected. Consequently, it will be futile to continuously hold the petitioner jointly and solidarily liable with the private respondents for the judgment awards for underpayment of wages and non-payment of overtime pay.

But while this Court had previously ruled that the indirect employer can recover whatever amount it had paid to the employees in accordance with the terms of the service contract between itself and the contractor,[42] the said ruling cannot be applied in reverse to this case as to allow the private respondents (the independent contractor), who paid for the judgment awards in full, to recover from the petitioner (the indirect employer).

Private respondents have nothing more to recover from petitioner.

Petitioner had already handed over to private respondent the wages and other benefits of the complainants. Records reveal that it had complied with complainants' salary increases in accordance with the minimum wage set by Republic Act No. 6727 by faithfully adjusting the contract price for the janitorial services it contracted with private respondents. [43] This is a finding of fact made by the Labor Arbiter,[44] untouched by the NLRC[45] and explicitly affirmed by the Court of Appeals,[46] and which should already bind this Court.

This Court is not a trier of facts. Well-settled is the rule that the jurisdiction of this Court in a petition for review on certiorari under Rule 45 of the Revised Rules of Court is limited to reviewing only errors of law, not of fact, unless the factual findings complained of are completely devoid of support from the evidence on record, or the assailed judgment is based on a gross misapprehension of facts. Besides, factual findings of quasi-judicial agencies like the NLRC, when affirmed by the Court of Appeals, are conclusive upon the parties and binding on this Court.[47]

Having already received from petitioner the correct amount of wages and benefits, but having failed to turn them over to the complainants, private respondents should now solely bear the liability for the underpayment of wages and non-payment of the overtime pay.

WHEREFORE, premises considered, the instant Petition is hereby GRANTED. The Decision and Resolution of the Court of Appeals dated 24 April 2000 and 27 September 2000, respectively, in CA-G.R. SP No. 50806, are hereby REVERSED AND SET ASIDE. The Decision dated 30 January 1996 of the National Labor Relations Commission in NLRC NCR CA No. 001737-91 (NLRC NCR Case No. 00-09-04432-89) is hereby REINSTATED. No costs.

SO ORDERED.

Ynares-Santiago, (Chairperson) Austria-Martinez, Nachura, and Reyes, JJ., concur.

[1] Penned by Associate Justice Andres B. Reyes, Jr. with Associate Justices Fermin A. Martin, Jr. and Romeo A. Brawner, concurring; rollo, pp. 34-44.

[2] Penned by Commissioner Vicente S.E. Veloso with Presiding Commissioner Bartolome S. Carale and Commissioner Alberto R. Quimpo, concurring; rollo, pp. 120-133.

[3] Id. at 46.

[4] Id. at 60-63.

[5] Records, pp. 1-6.

[6] Its complete title is “An Act to Rationalize Wage Policy Determination by Establishing the Mechanism and Proper Standards Therefor, Amending for the Purpose Article 99 of, and Incorporating Articles 120, 121, 122, 123, 124, 126 and 127 into, Presidential Decree No. 442, as Amended, Otherwise Known as the Labor Code of the Philippines, Fixing New Wage Rates, Providing Wage Incentives for Industrial Dispersal to the Countryside, and for Other Purposes.” It is also known as the “Wage Rationalization Act.” It took effect on 1 July 1989,

[7] Rollo, p. 65.

[8] Id. at 64.

[9] Id. at 83-84.

[10] Id. at 86-87.

[11] Penned by Commissioner Vicente S.E. Veloso with Commissioner Alberto R. Quimpo, concurring; id. at 86-97.

[12] ART. 107. INDIRECT EMPLOYER. The provisions of the immediately preceding Article shall likewise apply to any person, partnership, association or corporation which, not being an employer, contracts with an independent contractor for the performance of any work, task, job or project.

[13] ART. 109. SOLIDARY LIABILITY. The provisions of existing laws to the contrary notwithstanding, every employer or indirect employer shall be held responsible with his contractor or subcontractor for any violation of any provision of this Code. For purposes of determining the extent of their civil liability under this Chapter, they shall be considered as direct employers.

[14] Rollo, pp. 88-89.

[15] Penned by Commissioner Vicente S.E. Veloso with Presiding Commissioner Bartolome S. Carale and Commissioner Alberto R. Quimpo, concurring; id. at 98-101.

[16] Records, pp. 250-251.

[17] Rollo, p. 100.

[18] Records, p. 563.

[19] As shown in the Entry of Judgment bearing date 13 September 1994; id. at 573.

[20] Penned by Labor Arbiter Donato G. Quinto, Jr.; rollo, pp. 103-105.

[21] Art. 99. Regional Minimum Wages. The minimum wage rates for agricultural and non- agricultural employees and workers in each and every region of the country shall be those prescribed by the Regional Tripartite Wages and Productivity Boards. [As amended by Republic Act No. 6727 (Wage Rationalization Act)]. By virtue of Republic Act No. 6727 the Regional Tripartite Wage and Productivity Boards or RTWPBs have issued orders fixing the minimum wages for their respective regions.

[22] Penned by Commissioner Vicente S.E. Veloso with Presiding Commissioner Bartolome S. Carale and Commissioner Alberto R. Quimpo, concurring; rollo, pp. 106-114.

[23] Id. at 113.

[24] Id. at 115-118.

[25] Id. at 117.

[26] Records, pp. 714-717 and 814-817.

[27] Rollo, pp. 132-133.

[28] Id. at 135-136.

[29] In *Molina v. Pacific Plans, Inc.*, G.R. No. 165476, 10 March 2006, 484 SCRA 498, 516, this Court ruled that: “Under Rule VII, Section 2 of the NLRC Omnibus Rules of Procedure, the decision of the NLRC becomes final and executory after ten (10) calendar days from receipt of the same. xxx. Nonetheless, the Court ruled in *St. Martin Funeral Home v. NLRC* that, although the 10-day period for finality of the NLRC decision may have elapsed as contemplated in the last paragraph of Section 223 of the Labor Code, the CA may still take cognizance of and resolve a petition for certiorari for the nullification of the decision of the NLRC on jurisdictional and due process considerations.”

[30] CA rollo, pp. 186-187.

[31] G.R. No. 130866, 16 September 1998, 295 SCRA 494.

[32] CA rollo, p. 194.

[33] Rollo, pp. 42-44.

[34] Id. at 173.

[35] *Pelayo v. Perez*, G.R. No. 141323, 8 June 2005, 459 SCRA 475, 484, citing *Cucueco v. Court of Appeals*, G.R. No. 139278, 25 October 2004, 441 SCRA 290, 300-301.

[36] *Bañes v. Lutheran Church in the Philippines*, G.R. No. 142308, 15 November 2005, 475 SCRA 13, 31.

[37] G.R. No. 120506, 28 October 1996, 263 SCRA 638, 656-657.

[38] *Rosewood Processing, Inc. v. National Labor Relations Commission*, G.R. No. 116476-84, 21 May 1998, 290 SCRA 408, 427.

[39] *Roxas v. De Zuzuarregui, Jr.*, G.R. No. 152072, 31 January 2006, 481 SCRA 258, 276.

[40] See private respondents’ Petition, CA rollo, pp. 7-15.

[41] *Rosewood Processing, Inc. v. National Labor Relations Commission*, supra note 38 at 425-426.

[42] Id.

[43] Rollo, pp. 40-41.

[44] Id. at 104-105.

[45] Id. at 120-133.

[46] Id. at 140-141.

[47] Ramos v. Court of Appeals, G.R. No. 145405, 29 June 2004, 433 SCRA 177, 182.

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