

JAGUAR SECURITY AND INVESTIGATION AGENCY, PETITIONER, VS. RODOLFO A. SALES, CHAIRPERSON, JAIME L. MORON, MELVIN R. TAMAYO, JESUS B. SILVA, JR., AND DIONISIO C. CARANYAGAN, DANET...

G.R. No. 162420. April 22, 2008

Ponente: AUSTRIA-MARTINEZ, J.

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AUSTRIA-MARTINEZ, J.:

Assailed in the present Petition for Review on Certiorari is the Court of Appeals (CA) Decision[1] dated October 21, 2002 and Resolution[2] dated February 13, 2004, dismissing the petition filed by Jaguar Security and Investigation Agency (petitioner) and affirming the National Labor Relations Commission (NLRC) Resolutions dated September 19, 2000 and November 9, 2001.

The facts of the case, as narrated by the CA, are undisputed:

Petitioner Jaguar Security and Investigation Agency ("Jaguar") is a private corporation engaged in the business of providing security services to its clients, one of whom is Delta Milling Industries, Inc. ("Delta").

Private respondents Rodolfo Sales, Melvin Tamayo, Dionisio Caranyagan, Jesus Silva, Jr., Jaime Moron and Daneth Fetalvero were hired as security guards by Jaguar. They were assigned at the premises of Delta in Libis, Quezon City. Caranyagan and Tamayo were terminated by Jaguar on May 26, 1998 and August 21, 1998, respectively. Allegedly their dismissals were arbitrary and illegal. Sales, Moron, Fetalvero and Silva remained with Jaguar. All the guard-employees claim for monetary benefits such as underpayment, overtime pay, rest day and holiday premium pay, underpaid 13th month pay, night shift differential, five days service and incentive leave pay. In addition to these money claims, Caranyagan and Tamayo argue that they were entitled to separation pay and back wages, for the time they were illegally dismissed until finality of the decision. Furthermore, all respondents claim for moral and exemplary damages.

On September 18, 1998, respondent security guards instituted the instant labor case before the labor arbiter.

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On May 25, 1999, the labor arbiter rendered a decision in favor of private respondents Sales, et al., the dispositive portion of which provides:

"WHEREFORE, judgment is hereby rendered dismissing the charges of illegal dismissal on the part of the complainants MELVIN R. TAMAYO and DIONISIO C. CARANYAGAN for lack of merit but ordering respondents JAGUAR SECURITY AND INVESTIGATION AGENCY and DELTA MILLING INDUSTRIES, INC., to jointly and severally pay all the six complainants, namely: RODOLFO A. SALES, MELVIN R. TAMAYO, JAIME MORON and DANETH FETALVERO the following money claims for their services rendered from April 24, 1995 to April 24, 1998:

- a) wage differentials
- b) overtime pay differentials (4 hours a day)

- c) rest day pay
- d) holiday pay
- e) holiday premium pay
- f) 13th month pay differentials
- g) five days service incentive leave pay per year subject to the exception earlier cited.

The Research and Information Unit of this Commission is hereby directed to compute and quantify the above awards and submit a report thereon within 15 days from receipt of this decision.

For purposes of any appeal, the appeal bond is tentatively set at P100,000.00.

All other claims are DISMISSED for lack of merit.

SO ORDERED."

On July 1, 1999, petitioner Jaguar filed a partial appeal questioning the failure of public respondent NLRC to resolve its cross-claim against Delta as the party ultimately liable for payment of the monetary award to the security guards.

In its Resolution dated September 19, 2000, the NLRC dismissed the appeal, holding that it was not the proper forum to raise the issue. It went on to say that Jaguar, being the direct employer of the security guards, is the one principally liable to the employees. Thus, it directed petitioner to file a separate civil action for recovery of the amount before the regular court having jurisdiction over the subject matter, for the purpose of proving the liability of Delta.

Jaguar sought reconsideration of the dismissal, but the Commission denied the same in its Resolution dated November 9, 2001.[3]

Petitioner filed a petition for certiorari with the CA, which, in the herein assailed Decision dated October 21, 2002[4] and Resolution dated February 13, 2004,[5] dismissed the petition for lack of merit.

In the present petition, the following error is set forth as a ground for the modification of the assailed Decision and Resolution:

WITH ALL DUE RESPECT, THE COURT OF APPEALS ERRED IN NOT RESOLVING PETITIONER'S CROSS-CLAIM AGAINST PRIVATE RESPONDENT DELTA MILLING INDUSTRIES, INC.[6]

Petitioner insists that its cross-claim should have been ruled upon in the labor case as the filing of a cross-claim is allowed under Section 3 of the NLRC Rules of Procedure which provides for the suppletory application of the Rules of Court. Petitioner argues that the claim arose out of the transaction or occurrence that is the subject matter of the original action. Petitioner further argues that as principal, Delta Milling Industries, Inc. (Delta Milling) is liable for the awarded wage increases, pursuant to Wage Order Nos. NCR-04, NCR-05 and NCR-06; and in line with the ruling in *Eagle Security Agency, Inc. v. National Labor Relations Commission*,[7] petitioner should be reimbursed of any payments to be made.

There is no question as regards the respective liabilities of petitioner and Delta Milling. Under Articles 106, 107 and 109 of the Labor Code, the joint and several liability of the contractor and the principal is mandated to assure compliance of the provisions therein including the statutory minimum wage. The contractor, petitioner in this case, is made liable by virtue of his status as direct employer. On the other hand, Delta Milling, as principal, is made the indirect employer of the contractor's employees for purposes of paying the employees their wages should the contractor 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.[8]

However, in the event that petitioner pays his obligation to the guard employees pursuant to the Decision of the Labor Arbiter, as affirmed by the NLRC and CA, petitioner has the right of reimbursement from Delta Milling under Article 1217 of the Civil Code, which provides:

Art. 1217. Payment made by one of the solidary debtors extinguishes the obligation. If two or more solidary debtors offer to pay, the creditor may choose which offer to accept.

He who made the payment may claim from his co-debtors only the share which corresponds to each, with the interest for the payment already made. If the payment is made before the debt is due, no interest for the intervening period may be demanded.

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The question that now arises is whether petitioner may claim reimbursement from Delta Milling through a cross-claim filed with the labor court.

This question has already been decisively resolved in *Lapanday Agricultural Development Corporation v. Court of Appeals*,[9] to wit:

We resolve first the issue of jurisdiction. We agree with the respondent that the RTC has jurisdiction over the subject matter of the present case. It is well-settled in law and jurisprudence that where no employer-employee relationship exists between the parties and no issue is involved which may be resolved by reference to the Labor Code, other labor statutes or any collective bargaining agreement, it is the Regional Trial Court that has jurisdiction. In its complaint, private respondent is not seeking any relief under the Labor Code but seeks payment of a sum of money and damages on account of petitioner's alleged breach of its obligation under their Guard Service Contract. The action is within the realm of civil law hence jurisdiction over the case belongs to the regular courts. While the resolution of the issue involves the application of labor laws, reference to the labor code was only for the determination of the solidary liability of the petitioner to the respondent where no employer-employee relation exists. Article 217 of the Labor Code as amended vests upon the labor arbiters exclusive original jurisdiction only over the following:

- Unfair labor practices;
- Termination disputes;
- If accompanied with a claim for reinstatement, those cases that workers may file involving wages, rates of pay, hours of work and other terms and conditions of employment;
- Claims for actual, moral exemplary and other forms of damages arising from employer-employee relations;
- Cases arising from any violation of Article 264 of this Code, including questions involving legality of strikes and lockouts; and
- Except claims for Employees Compensation, Social Security, Medicare and maternity benefits, all other claims, arising from employer-employee relations, including those of persons in domestic or household service, involving an amount exceeding five thousand pesos (P5,000.00) regardless of whether accompanied with a claim for reinstatement.

In all these cases, an employer-employee relationship is an indispensable jurisdictional requisite; and there is none in this case.[10] (Emphasis supplied)

The jurisdiction of labor courts extends only to cases where an employer-employee relationship exists.

In the present case, there exists no employer-employee relationship between petitioner and Delta Milling. In its cross-claim, petitioner is not seeking any relief under the Labor Code but merely reimbursement of the monetary benefits claims awarded and to be paid to the guard employees. There is no labor dispute involved in the cross-claim against Delta Milling. Rather, the cross-claim involves a civil dispute between petitioner and Delta Milling. Petitioner's cross-claim is within the realm of civil law, and jurisdiction over it belongs to the regular courts.

Moreover, the liability of Delta Milling to reimburse petitioner will only arise if and when petitioner actually pays its employees the adjudged liabilities.[11] Payment, which means not only the delivery of money but also the performance, in any other manner, of the obligation, is the operative fact which will entitle either of the solidary debtors to seek reimbursement for the share which corresponds to each of the debtors.[12] In this case, it appears that petitioner has yet to pay the guard employees. As stated in Lapanday:

However, it is not disputed that the private respondent has not actually paid the security guards the wage increases granted under the Wage Orders in question. Neither is it alleged that there is an extant claim for such wage adjustments from the security guards concerned, whose services have already been terminated by the contractor. Accordingly, private respondent has no cause of action against petitioner to recover the wage increases. Needless to stress, the increases in wages are intended for the benefit of the laborers and the contractor may not assert a claim against the principal for salary wage adjustments that it has not actually paid. Otherwise, as correctly put by the respondent, the contractor would be unduly enriching itself by recovering wage increases, for its own benefit.[13]

Consequently, the CA did not commit any error in dismissing the petition and in affirming the NLRC Resolutions dated September 19, 2000 and November 9, 2001.

WHEREFORE, the petition is DENIED.

Double costs against petitioner.

SO ORDERED.

Ynares-Santiago, (Chairperson), Chico-Nazario, Nachura, and Reyes, JJ., concur.

[1] Penned by Associate Justice Elvi John S. Asuncion, with Associate Justices Portia Aliño-Hormachuelos and Juan Q. Enriquez, Jr., concurring; rollo, pp. 23-28.

[2] Id. at 30-32.

[3] CA rollo, pp. 162-165.

[4] Id. at 166-167.

[5] Id. at 184-185.

[6] Rollo, p. 13.

[7] G.R. No. 81314, May 18, 1989, 173 SCRA 479.

[8] See Article II, Sec. 18 and Article XIII, Sec. 3.

[9] 381 Phil. 41 (2000).

[10] Id. at 48-49.

[11] *Urbanes, Jr. v. Secretary of Labor and Employment*, 445 Phil. 718, 728 (2003).

[12] *Lapanday Agricultural Development Corporation v. Court of Appeals*, *supra* note 9, at 52-53.

[13] *Id.* at 53.

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