

**PIONEER FLOAT GLASS MANUFACTURING, INC. [FORMERLY AGC FLAT GLASS PHILIPPINES, INC.], PETITIONER, VS. MA. CECILIA G. NATIVIDAD, GLENN U. COSTINIANO, AND BEN JOSEPH S. ISON, RESPO...**

*G.R. No. 225293. September 12, 2022*

Ponente: LOPEZ, M., J.

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**LOPEZ, M., J.:**

A case for illegal dismissal and regularization cannot prosper against the principal absent evidence that the contractor is engaged in labor-only contracting. One such instance is present in these consolidated Petitions for Review on Certiorari[1] assailing the Court of Appeals' (CA) Decision[2] dated October 27, 2015 and Resolution[3] dated June 21, 2016 in CA-G.R. SP No. 134537.

**ANTECEDENTS**

On May 4, 2011, Pioneer Float Glass Manufacturing, Inc. (Pioneer Float), formerly AGC Flat Glass Philippines, Inc., entered into a service agreement with 9R Manpower and Services, Inc. (9R Manpower),[4] to wit:

**SECTION 1 – SCOPE OF WORKS**

**1.1.**

The CONTRACTOR shall accomplish the tasks based on the battery limits of activities listed under Annex "1" with sound discretion using a mutually agreed procedure and method to accomplish the F6 Process control.

**1.2.**

Processes for the operation shall be strictly in accordance with the work flow shown in Annex "2."

**SECTION 2 – CONTRACTOR'S OBLIGATION**

**2.1.**

The CONTRACTOR shall supply the necessary tools, equipment and personnel safety equipment listed in ANNEX "3", for each work item mentioned in Section 1.1.

2.2.

The CONTRACTOR shall fulfill its assigned activities within the schedule set by AGPH with urgency and efficiency with express understanding that delays can cause production bottlenecks. Related to this, the CONTRACTOR shall only assign trained, qualified and skilled personnel to accomplish the agreed output.

2.4.

The CONTRACTOR shall endeavor that all its services and the works performed by its assigned employees in the premises of AGPH are in conformity with the Integrated Management Systems of AGPH, namely, ISO 9001, ISO 14001, Safety, Information Security.

x x x x

## SECTION 6 – CONTRACTOR'S EMPLOYEES

6.1

Relevant to the provision mentioned in CONTRACTOR's obligations to AGPH, the CONTRACTOR shall select, hire and train its own workers and personnel. The CONTRACTOR shall assign Supervisor/s who shall oversee the work of CONTRACTOR's employees and shall be responsible for the conduct as well as the discipline, supervision and control of its employees deployed at designated areas mentioned in item 4.1. This is without prejudice to the right of AGPH to report any infractions and/or inefficiencies relating to any Supervisor/employee of the CONTRACTOR. The CONTRACTOR shall provide AGPH set of organizational chart showing designation of Supervisor/s assigned or deployed at AGPH site.[5]

In turn, 9R Manpower hired Ma. Cecilia G. Natividad, Glenn U. Costiniano, and Ben Joseph S. Ison (Natividad, et al.) and Miguel E. Bautista III (Bautista) as project employees,[6] viz.:

We are happy to engage your services for the period February 1, 2012 to January 31, 2013, or until such time that the following projects are completed:

- 1) Quality inspection of glass.
- 2) Other activities that maybe assigned[.]

x x x x

It is understood that in the event the above projects are completed at an earlier date, your services shall automatically be considered terminated. Likewise, your services shall be deemed terminated automatically upon expiration of the period above specified without need of further notice. Nothing, however, shall prevent the company from terminating your services sooner for cause.[7]

In 2013, Natividad, et al. and Bautista filed a complaint for illegal dismissal and regularization before the Labor Arbiter (LA).[8] Natividad, et al. alleged that 9R Manpower deployed them to Pioneer Float as quality assurance coordinators. In 2012, 9R Manpower disallowed Natividad, et al. to report for work. Whereas, Bautista claimed that he had been working for Pioneer Float since 1998 as truck driver, forklift operator, and glass handler. In 2009, 9R Manpower became Bautista's hiring agency.[9]

On the other hand, Pioneer Float denied any employment relationship with Natividad, et al. and Bautista. Pioneer

Float asserted its separate and distinct legal personality from 9R Manpower with which it entered a valid service contract. For its part, 9R Manpower contended that it is a legitimate independent service contractor and that it hired Natividad, et al. and Bautista for a fixed period from February 1, 2012 to January 31, 2013 as project employees. On July 12, 2012, Natividad, et al. and Bautista voluntarily resigned and pre-terminated their contracts. Natividad, et al. and Bautista then executed quitclaims releasing 9R Manpower from any liability arising from their employment relationship.[10]

On October 8, 2013, the LA dismissed the complaint for lack of merit. The LA ruled that Natividad, et al. have no cause of action for illegal dismissal against Pioneer Float. Admittedly, it was 9R Manpower which hired Natividad, et al. and Bautista as evident from their respective project employment. Yet, Natividad, et al. and Bautista failed to prove that 9R Manpower repeatedly renewed their contracts, or that it employed them for a long period of time. What is extant from the records are Natividad, et al. and Bautista's fixed-term employment contracts and quitclaims.[11] Aggrieved, Natividad, et al. and Bautista appealed to the National Labor Relations Commission (NLRC).[12]

On November 29, 2013, the NLRC affirmed the LA's findings that Natividad, et al. and Bautista pre-terminated their fixed-term employment and signed the corresponding quitclaims. The NLRC also pointed out that Natividad, et al. and Bautista did not prove any work with Pioneer Float before they entered into job contracts with 9R Manpower. The NLRC likewise ruled that 9R Manpower is a legitimate independent service contractor as shown in the certification issued by the Department of Labor and Employment (DOLE). Moreover, the NLRC held that 9R Manpower's audited financial statements established that it has substantial capital and investments in the form of tools, equipment and facilities, and that it undertook the contracted work in its own manner and methods except as to the results.[13]

Undaunted, Natividad, et al., and Bautista elevated the case to the CA through a Petition for Certiorari[14] docketed as CA-G.R. SP No. 134537. Natividad, et al. and Bautista insisted that Pioneer Float and 9R Manpower are engaged in labor-only contracting. Pioneer Float exercised control and supervision because it prepared the schedule of work of quality assurance coordinators as well as the procedure in inspecting glass products. Also, they are entitled to regularization because the nature of their work is usually necessary and desirable in Pioneer Float's business.

On October 27, 2015, the CA reversed the labor tribunals' findings and held that 9R Manpower is a labor-only contractor, hence, Natividad, et al. are deemed regular employees of Pioneer Float. However, the CA dismissed Bautista's complaint for lack of merit,[15] thus:

While it is true that 9R submitted its financial statements for the year 2012 and 2013 to prove that it has substantial capital and investment, records reveal that 9R does not exercise the right to control the performance of the work of Petitioners.

x x x x

The above-cited provisions of the service contract readily shows that 9R does not exercise the power of control and supervision over the means and methods of performing the work assigned to Petitioners. The procedure to be followed by Petitioners in inspecting the quality of the glass products of AGC must be in accordance with the "mutually agreed procedure and method" between AGC and 9R. The inspection procedure must follow and must be in accordance with the Flow Chart prepared and approved by AGC regular employees. Further, 9R's deployed employees "must fulfill its assigned tasks within the schedule set by AGC." Petitioners were deployed to AGC as Quality Control Inspector/Quality Assurance Coordinator, common sense dictates that the procedure or determining whether the glass products of AGC passed its quality standards would necessarily be set by the latter and Petitioners will be expected to follow the same to the letter. Hence, no discretion is left to

the Petitioners on how to perform their assigned tasks. Considering that 9R does not exercise the power to control the means and methods of Petitioners' performance of their job, We find 9R as a labor-only contractor. As such, AGC is deemed the employer of Petitioners.

x x x x

We note that the nature of the employment is determined by law, regardless of any contract expressing otherwise. The supremacy of the law over the nomenclature of the contract and the stipulations contained therein is to bring to life the policy enshrined in the Constitution to afford full protection to labor. Labor contracts, being imbued with public interest, are placed on a higher plane than ordinary contracts and are subject to the police power of the State.

x x x x

We hold that Petitioners as Quality Control Inspector/Quality Assurance Coordinator are performing activities which are necessary and desirable to the business of AGC as manufacturer of glass products.

x x x x

Clearly, the said project employment contracts failed to state the specific project or undertaking for which the Petitioners were hired. There is no mention of any project where Petitioners will be deployed to. Further, the work delegated to Petitioners were not specific since other activities may also be assigned to Petitioners.

It is well-settled that if the particular job or undertaking is within the regular or usual business of the employer company and it is not identifiably distinct or separate from the other undertakings of the company, there is clearly a constant necessity for the performance of the task in question, and therefore said job or undertaking should not be considered a project.

As We have ruled earlier, herein Petitioners as Quality Control Inspector/Quality Assurance Coordinator are performing activities which are necessary and desirable to the business of AGC. Further, the work of Petitioners being indispensable in the glass manufacture business of AGC to assure that the glass products of the latter passes its quality standards, Petitioners jobs and undertakings are clearly within the regular or usual business of AGC and are not identifiably distinct or separate from the business of AGC. Hence, Petitioners are clearly regular employees of AGC.

Petitioners[,] being regular employees of AGC, they are entitled to security of tenure as provided in Article 279 of the Labor Code, as such[,] Petitioners can only be removed for just cause.

x x x x

Since Petitioners were suddenly not allowed to work without just cause, We find Petitioners to have been illegally dismissed by AGC. Therefore, Petitioners were entitled to reinstatement with full backwages computed from the time they were not allowed to work until their actual reinstatement.

x x x x

As to Petitioner Bautista's claim for regularization, since there is nothing in the records of the case that will support his claim for regularization, his claim necessarily fails and cannot be granted by this Court.

WHEREFORE, the foregoing considered, the instant Petition for Certiorari is GRANTED. The assailed Decision dated November 29, 2013 and Resolution dated January 20, 2014 of the National Labor Relations Commission Third Division in NLRC Lac. No. 10-003028-13 are hereby REVERSED and SET ASIDE. Accordingly, a new one is entered, as follows:

1.

Private Respondent AGC Flat Glass Phils. Inc., and 9R Manpower Services are engaged in labor-only contracting. Hence, petitioners Ma. Cecilia G. Natividad, Glenn U. Costiniano and Ben Joseph S. Ison are REGULAR EMPLOYEES of Private Respondent AGC Flat Glass Phils. Inc.;

2.

Petitioners Ma. Cecilia G. Natividad, Glenn U. Costiniano and Ben Joseph S. Ison are found to have been ILLEGALLY DISMISSED. As such, Petitioners are entitled to reinstatement without loss of seniority rights and other privileges with full backwages, in conformity with the prevailing minimum wage rates, computed from the time they were not allowed to work until their actual reinstatement;

3.

Private Respondent AGC Flat Glass Phils. Inc., and 9R Manpower Services are jointly and severally liable to pay the deficiencies in Petitioners' salaries computed from February 1, 2012 until their illegal dismissal; and

4.

Private respondent AGC Flat Glass Phils. Inc., and 9R Manpower Services are jointly and severally liable to pay the legal interest of 6% per annum on the total monetary award computed from the date of this Decision until their full satisfaction.

The complaint of Petitioner Miguel E. Bautista III for regularization is hereby DISMISSED for lack of merit.

Let the records of the case be remanded to the [LA] for the computation of the petitioners' back wages and salary deficiencies.

SO ORDERED.[16] (Emphases supplied; citation omitted)

Hence, these consolidated Petitions. Pioneer Float denies exercising control and supervision over Natividad, et al. as to the method of accomplishing their works. The phrase "mutually agreed procedure and method"[17] in the service contract is a tacit recognition of 9R Manpower's discretion and authority over the performance of Natividad, et al.'s assigned tasks. Pioneer Float adds that there is no basis to conclude that 9R Manpower is a labor-only contractor simply because Natividad, et al.'s job is necessary and desirable to its business.[18] Meanwhile, 9R Manpower insists that it is a legitimate job contractor and that Natividad, et al. are its project employees who performed the particular task of quality inspection of glass for a fixed-term from February 1, 2012 to January 31, 2013. Lastly, 9R Manpower avers that it did not dismiss Natividad, et al. from the service and that their duly executed quitclaims must be respected as the law between the parties.[19]

Natividad, et al. countered that they were dubbed as project employees to circumvent their right to security of tenure. Also, the quitclaims are invalid since they signed them under threat of nonrenewal of contracts.[20] For his part, Bautista contends that his claim for regularization should be granted since he is similarly situated with Natividad, et al.[21]

## RULING

Pioneer Float's and 9R Manpower's Petitions are meritorious.

The parties raise factual issues which are beyond the ambit of this Court's jurisdiction in a Petition for Review on

Certiorari. It is not this Court's task to go over the proofs presented below to ascertain if they were correctly weighed.[22] However, this rule of limited jurisdiction admits of exceptions, and one of them is when the factual findings of the CA and the labor tribunals are contradictory.[23] In this case, the NLRC and the LA concluded that 9R Manpower is a legitimate independent contractor while the CA ruled that it is a labor-only contractor. Considering these conflicting findings, this Court will entertain the factual issues raised in the Petitions.

It bears emphasis that the law allows contracting arrangements for the performance of specific jobs, works, or services. It is a management prerogative to outsource any of its activities, whether peripheral or core in nature, provided it is made to an independent contractor.[24] This is because the current rules expressly prohibit labor-only contracting[25] where the contractor or subcontractor merely recruits, supplies, or places workers to perform services for a principal, and where any of the following elements is present:

i)

The contractor or subcontractor does not have substantial capital or investment which relates to the job, work or service to be performed and the employees recruited, supplied or placed by such contractor or subcontractor are performing activities which are directly related to the main business of the principal; or

ii)

the contractor does not exercise the right to control over the performance of the work or the contractual employee.[26]

Here, records reveal that 9R Manpower's business consists of providing services relative to furnace maintenance, mechanical and electrical maintenance, clerical works, steel fabrication, quality control checking, civil works, and other allied services.[27] Notably, Pioneer Float engaged 9R Manpower to perform a specific job of providing quality control inspection services, which is one of the strong indicators that an entity is an independent contractor.[28] Moreover, 9R Manpower is registered in the list of legitimate contractors and subcontractors. In 2013, 9R Manpower renewed its DOLE Certificate of Registration. Also, 9R Manpower has substantial capital and assets that are necessary in the conduct of its business. Its audited financial statements showed that it has subscribed and paid-up capital stock of P500,000.00 and total assets of P4,996,297.51 when the service contract was executed in 2011. At that time, the DOLE does not set an exact figure for what constitutes substantial capital of independent job contractors.[29] Thus, whether 9R Manpower met such requirement must be ascertained in a broad and extensive manner with consideration of the industry involved.[30] On that year, 9R Manpower reaped a gross profit of P4,314,663.62 which allowed it to cover its total operating expenses of P11,032,914.56 and realized a net income of P3,281,749.06.[31] In 2012, 9R Manpower's total assets increased to P7,283,440.36. On the same year, it made a gross profit of P6,651,077.38, managed its operating expenses of P4,363,934.53, and earned a net income of P2,287,142.85. In 2013, 9R Manpower amended its Articles of Incorporation and declared an increased paid-up capital stock of P3,000,000.00 in compliance with DOLE Department Order No. 18-A-11[32] on the substantial capitalization requirement of independent job contractors.

More importantly, 9R Manpower has substantial investment in the form of tools and equipment to carry out the job, work, or service demanded under the service contract. Records show that it provides the materials used in quality control inspection such as safety supplies, e.g., safety shoes, helmet with chin strap, knitted and canvass gloves, eye goggles, sleeve protector, and medical supplies, tools and equipment, e.g., meter tape, micrometer, and scale lupe, and cleaning materials, and office stationery items.[33] The availability of these tools and equipment is evident in 9R Manpower's Computation of New Package F6 Process Control[34] which provides a standard list of its manpower, equipment, and supplies with corresponding cost for Pioneer Float's guidance during the billing period. Further, 9R Manpower owns the truck and forklift which Bautista used in carrying out

his duties.[35]

Taken together, these circumstances lead to no other conclusion that an independent and permissible contractor relationship exists between Pioneer Float and 9R Manpower. Accordingly, Natividad, et al. and Bautista remain the employees of 9R Manpower and not Pioneer Float. Even applying the four-fold test of employment relationship, namely: (1) the selection and engagement of the employee or the power to hire; (2) the payment of wages; (3) the power to dismiss; and (4) the power to control the employee,[36] would reveal that 9R Manpower is the true employer of Natividad, et al. and Bautista.

First, with regard to the power to hire, 9R Manpower executed employment contracts with Natividad, et al. and Bautista and has custody of all the pre-employment records. It was entirely involved in their recruitment, selection and actual hiring. The records are bereft of any evidence that Pioneer Float participated in or influenced the decision of 9R Manpower to hire its employees. Second, with respect to the payment of wages, it was shown that Natividad, et al. and Bautista directly received their salaries from 9R Manpower,[37] which deducted and remitted their Social Security System,[38] PAG-IBIG,[39] and Philippine Health Insurance Corporation premium contributions.[40] Third, as to the power to dismiss, it is 9R Manpower that issued disciplinary memoranda to employees who violated the company rules and regulations. The memoranda describe the nature of the offense and cited the corresponding penalty.[41] There is no evidence that Pioneer Float wielded such authority. Lastly, concerning the power of control, it is 9R Manpower that issued Work Instructions[42] to Natividad, et al. and Bautista which detailed the specific steps to correctly perform their quality assurance tasks. Also, 9R Manpower prescribed the daily work schedule of employees,[43] maintained their attendance sheets,[44] and required leave forms from those who failed to report for work.[45] Pioneer Float had no hand in selecting who among the inspectors shall be assigned to it. More telling is that 9R Manpower assigned the supervisors who monitored the proper performance of the work of its employees pursuant to Section 6 of the service contract which the CA completely disregarded. Contrary to the CA's interpretation, the phrase "mutually agreed procedure and method" in Section 1 of the service contract is insufficient to establish the required degree of control on the part of Pioneer Float over the work performance of the inspectors. These procedures and method are mere general guidelines towards the achievement of the mutually desired result and are not indicative of the power of control." [46] Such giving out of instructions inevitably spring from Pioneer Float's right predicated on the service contract entered into with 9R Manpower. The requirements that Pioneer Float imposed in the course of the inspectors' assignment cannot detract from the fact that 9R Manpower is the employer of Natividad, et al. and Bautista. The privity of contract being between the principal and the contractor, not between the principal and the workers.[47]

Verily, Natividad, et al. and Bautista utterly failed to show how Pioneer Float controlled the performance of their tasks, other than the desired results. Without convincing evidence that the principal subjected the contractor's employees to its effective control as to the manner or method by which they conduct their work, this Court holds that no employer-employee relationship exists between Pioneer Float and Natividad, et al. and Bautista.

In illegal dismissal cases, it is incumbent upon the employee to first establish by substantial evidence the fact of his or her termination from the service before the employer bears the burden of proving that it was for a valid or authorized cause. If there is no dismissal, then there can be no question as to its legality or illegality.[48] Here, Natividad, et al. did not submit evidence proving actual or constructive dismissal, and how they were terminated or prevented from returning to their work. The bare allegation of having been dismissed from the service cannot be given credence.[49] Similarly, Bautista's claim for regularization was unsubstantiated. Bautista failed to present any document or witness showing that he worked for Pioneer Float before he entered into contracts with 9R Manpower. In contrast, the records show that Natividad, et al. and Bautista are fixed-term project employees. Contracts of employment for a fixed term are not unlawful unless it is apparent from the circumstances that the

periods have been imposed to circumvent the laws on security of tenure.[50] The Court laid down the criteria of a valid fixed-term employment, to wit:

1. The fixed period of employment was knowingly and voluntarily agreed upon by the parties without any force, duress, or improper pressure being brought to bear upon the employee and absent any other circumstances vitiating his consent; or
2. It satisfactorily appears that the employer and the employee dealt with each other on more or less equal terms with no moral dominance exercised by the former or the latter.[51]

Here, Natividad, et al. and Bautista were employed on a fixed term basis to meet 9R Manpower's commitment to Pioneer Float. At the time of their hiring, Natividad, et al. and Bautista were informed that their engagement was for a specific period. To be sure, their employment contracts expressly stipulated the duration of their services from February 1, 2012 to January 31, 2013, or until the projects were completed. It bears emphasis that the services of a project employee[52] may be terminated upon the end or completion of the project, or a phase thereof for which he was hired.[53] The principal test in determining project-based employment is whether he was assigned to carry out a specific project or undertaking, the duration and scope of which was specified at, and made known to him, at the time of his engagement.[54] It is crucial that the worker was informed of his or her status as a project employee at the time of hiring and that the period of his or her employment must be knowingly and voluntarily agreed upon by the parties, without any force, duress, or improper pressure vitiating consent.[55] Here, Natividad, et al. and Bautista were informed that the status of their employment was for a specific undertaking of quality inspection of glass products. Moreover, there was no evidence indicating that Natividad, et al. and Bautista were pressured into signing their fixed-term project contracts or that 9R Manpower exhibited dominance over them. Natividad, et al. and Bautista had the chance to refuse but they consciously accepted their contracts. The periods and conditions stipulated in their contracts were likewise not intended to deny them from acquiring security of tenure. Inarguably, Natividad, et al. and Bautista are fixed-term project employees. As such, their respective employment contracts govern their relationships.

Natividad, et al. and Bautista's claim that they are regular employees are untenable. The fact that an employee is engaged to perform activities that are necessary and desirable in the usual business of the employer does not prohibit the fixing of employment for a definite period,[56] thus:

Article 280 of the Labor Code does not proscribe or prohibit an employment contract with a fixed period provided the same is entered into by the parties, without any force, duress or improper pressure being brought to bear upon the employee and absent any other circumstance vitiating consent. It does not necessarily follow that where the duties of the employee consist of activities usually necessary or desirable in the usual business of the employer, the parties are forbidden from agreeing on a period of time for the performance of such activities. There is thus nothing essentially contradictory between a definite period of employment and the nature of the employee's duties.[57] (Emphasis supplied; citation omitted)

Consequently, there is no need for notice of termination because Natividad, et al. and Bautista knew exactly when their contracts would end. "Contracts of employment for a fixed period terminate on their own at the end of such period." [58] Yet, Natividad, et al. and Bautista voluntarily resigned and pre-terminated their contracts. The intention to leave their posts became more evident when they executed the quitclaims.

In sum, the CA reversibly erred in ruling that 9R Manpower is a labor-only contractor and that Natividad, et al. are deemed regular employees of Pioneer Float who were unjustly dismissed from work. However, the CA properly dismissed Bautista's claim for regularization for lack of merit. On this point, this Court reminds that the constitutional policy of social justice and protection to labor must not blind the courts of their duty to dispense justice in light of the established facts, surrounding circumstances and applicable laws.[59]

ACCORDINGLY, the Petitions in G.R. Nos. 225293 and 225314 are GRANTED. The Court of Appeals' Decision dated October 27, 2015 and Resolution dated June 21, 2016 in CA-G.R. SP No. 134537 are REVERSED. The Decision dated November 29, 2013 and the Resolution dated January 20, 2014 of the National Labor Relations Commission affirming the Decision dated October 8, 2013 of the Labor Arbiter dismissing the complaint are REINSTATED. The Petition in G.R. No. 225671 is DENIED.

**SO ORDERED.**

Lazaro-Javier (Acting Chairperson), Rosario,[\*][\*][\*] and J. Lopez, JJ., concur.  
Leonen,[\*\*] SAJ (Chairperson), on official leave.

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[\*]Also referred as 9R Manpower Services in some parts of the rollo.

[\*][\*] On official leave.

[\*][\*][\*] Designated additional Member per Raffle dated August 30, 2022, in lieu of Kho, Jr., J., no part as one of the parties is a client of his former law firm.

[1] Rollo (G.R. No. 225293), pp. 3-25; rollo (G.R. No. 225314), pp. 3-34; and rollo (G.R. No. 225671), pp. 12-24.

[2] Rollo (G.R. No. 225293), pp. 27-42. Penned by Associate Justice Noel G. Tijam (retired Member of the Court), with the concurrence of Associate Justice Francisco P. Acosta and Eduardo B. Peralta, Jr.

[3] Id. at 44-45.

[4] Id. at 46-51.

[5] Id. at 46-47.

[6] Id. at 28-29.

[7] Id. at 146; 148-149.

[8] Rollo (G.R. No. 225314), pp. 35-36.

[9] Rollo (G.R. No. 225293), p. 561.

[10] Id. at 35-36; 151-153.

[11] Id. at 560-564.

[12] Id. at 565-579.

[13] Id. at 594-601.

[14] Id. at 629-643.

[15] Id. at 33-41.

[16] Id. at 33-42.

[17] Id. at 9.

[18] Rollo (G.R. No. 225293), pp. 9-17.

[19] Rollo (G.R. No. 225314), pp. 12-26.

[20] Rollo (G.R. No. 225293), pp. 1038 & 1551-1553.

[21] Rollo (G.R. No. 225671), pp. 17-18.

[22] *Gatan v. Vinarao*, 820 Phil. 257, 265-267 (2017) [Per J. Leonardo-De Castro, First Division]; *Heirs of Teresita Villanueva v. Heirs of Petronila Syquia Mendoza*, 810 Phil. 172, 177-178 (2017) [Per J. Peralta, Second Division]; *Bacsasar v. Civil Service Commission*, 596 Phil. 858, 867 (2009) [Per J. Nachura, En Banc].

[23] *Office of the Ombudsman v. De Villa*, 760 Phil. 937, 949-950 (2015) [Per J. Mendoza, Second Division]; *Miro v. Vda. de Erederos*, 721 Phil. 772, 786-787 (2013) [Per J. Brion, Second Division]; *Office of the Ombudsman v. Dechavez*, 721 Phil. 124, 129-130 (2013) [Per J. Brion, Second Division]; *Medina v. Mayor Asistio, Jr.*, 269 Phil. 225, 232 (1990) [Per J. Bidin, Third Division].

[24] *Aliviado v. Procter & Gamble Phils., Inc.*, 665 Phil. 542, 555-557 (2011) [Per J. Del Castillo, First Division].

[25] LABOR CODE, art. 106.

[26] Department of Labor and Employment (DOLE) Department Order (DO) No. 18-02, Series of 2002, Section 5, dated February 21, 2002.

[27] Rollo (G.R. No. 225314), p. 90.

[28] *Vinoya v. National Labor Relations Commission (NLRC)*, 381 Phil. 460, 473-475 (2000) [Per J. Kapunan, First Division], citing *Neri v. NLRC*, 224 SCRA 717 (1993); *Philippine Fuji Xerox Corporation v. NLRC*, 254 SCRA 294 (1996).

[29] Rollo (G.R. No. 225314), p. 461. When the service contract was executed in 2011, 9R is still covered by its DOLE Certificate of Registration issued on February 16, 2010. Pursuant to Section 17 of DO No. 18-02, which is then the relevant regulatory rule, 9R's Certificate of Registration shall be valid until February 11, 2013 subject for renewal every three years.

[30] *De Castro v. Court of Appeals*, 796 Phil. 681, 700-701 (2016) [Per J. Mendoza, Second Division], citing *Vinoya v. National Labor Relations Commission (NLRC)*, 381 Phil. 460, 473-475 (2000) [Per J. Kapunan, First Division], citing *Neri v. NLRC*, 224 SCRA 717 (1993).

[31] Rollo, (G.R. No. 225314), pp. 466-467.

[32] Section 3(1) of DO 18-A-11 defines substantial capital as "paid-up capital stocks/shares of at least Three Million Pesos (P3,000,000.00) in the case of corporations, partnerships and cooperatives; in the case of single proprietorship, a net worth of at least Three Million Pesos (P3,000,000.00)."

[33] Rollo (G.R. No. 225293), pp. 46, 57.

[34] Rollo (G.R. No. 225314), pp. 521-522.

[35] *Id.* at 397-401.

[36] *Rhone-Poulenc Agrochemicals Phils., Inc. v. NLRC*, 291 Phil. 251, 259 (1993) [Per J. Gutierrez, Jr., Third Division]; *Manila Water Co., Inc. v. Dalumpines*, 646 Phil. 383, 390 (2010) [Per J. Nachura, Second Division]; *Lakas Sa Industriya ng Kapatirang Haligi ng Alyansa-Pinagbuklod ng Manggagawang Promo ng Burlingame v. Burlingame Corporation*, 552 Phil. 58, 63 (2007) [Per J. Quisumbing, Second Division]; *De Los Santos v. NLRC*, 423 Phil. 1020, 1029 (2001) [Per J. Bellosillo, Second Division].

[37] Rollo (G.R. No. 225314), pp. 406-439. See *Corporal, Sr. v. NLRC*, 395 Phil. 890, 901 (2002) [Per J.

Quisumbing, Second Division].

[38] Id. at 554-596.

[39] Id. at 597-636.

[40] Id. at 637-678.

[41] Id. at 384-388.

[42] Rollo (G.R. No. 225293), pp. 955-974.

[43] Rollo (G.R. No. 225314), pp. 340-355.

[44] Id. at 142-144.

[45] Id. at 373-383.

[46] Consulta v. Court of Appeals, 493 Phil. 842, 848 (2005) [Per J. Carpio, First Division].

[47] Social Security System vs. Court of Appeals, 148-A Phil. 561, 569 (1971) [Per J. Villamor, En Banc].

[48] Philippine Rural Reconstruction Movement (PRRM) v. Pulgar, 637 Phil. 244, 256 (2010) [Per J. Brion, Third Division]. See also Exodus International Construction Corp. v. Biscocho, 659 Phil. 142, 154 (2011) [Per J. Del Castillo, First Division].

[49] See Gelmart Industries (Phils.), Inc. v. Hon. Leogardo, Jr., 239 Phil. 386, 391-393 (1987) [Per J. Cortes, Third Division]; Vertudes v. Buenaflor, 514 Phil. 399, 414-415 (2005) [Per J. Puno, Second Division].

[50] Pure Foods Corp. v. NLRC, 347 Phil. 434, 443 (1997) [Per J. Davide, Jr., First Division], citing Brent School, Inc. v. Zamora, 260 Phil. 747 (1990).

[51] Id.

[52] LABOR CODE, art. 280 (now art. 294).

[53] ALU-TUCP v. NLRC, 304 Phil. 844, 850 (1994) [Per J. Feliciano, En Banc].

[54] Pasos v. Philippine National Labor Construction Corp., 713 Phil. 416, 433 (2013) [Per J. Villarama, Jr., First Division].

[55] Jamias v. NLRC (Second Division), 783 Phil. 16, 27 (2016) [Per J. Bersamin, First Division].

[56] Caparoso v. Court of Appeals, 544 Phil. 721, 727 (2007) [Per J. Carpio, Second Division].

[57] St. Theresa's School of Novaliches Foundation v. NLRC, 351 Phil. 1038, 1043 (1998) [Per J. Purisima, Third Division].

[58] Labayog v. M.Y. San Biscuits, Inc., 527 Phil. 67, 72-73 (2006) [Per J. Corona, Second Division].

[59] Ropali Trading Corp. v. NLRC, 357 Phil. 314, 320 (1998) [Per J. Romero, Third Division].

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