

**MANUELA S. CATAN/M.S. CATAN PLACEMENT AGENCY,
PETITIONERS, VS. THE NATIONAL LABOR RELATIONS COMMISSION,
PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION AND
FRANCISCO D. REYES, RES...**

G.R. No. 77279. April 15, 1988

Ponente: CORTES, J.

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CORTES, J.:

Petitioner, in this special civil action for certiorari, alleges grave abuse of discretion on the part of the National Labor Relations Commission in an effort to nullify the latter's resolution and thus free petitioner from liability for the disability suffered by a Filipino worker it recruited to work in Saudi Arabia. This Court, however, is not persuaded that such an abuse of discretion was committed. This petition must fail.

The facts of the case are quite simple.

Petitioner, a duly licensed recruitment agency, as agent of Ali and Fahd Shabokshi Group, a Saudi Arabian firm, recruited private respondent to work in Saudi Arabia as a steelman.

The term of the contract was for one year, from May 15, 1981 to May 14, 1982. However, the contract provided for its automatic renewal:

FIFTH. The validity of this Contract is for ONE YEAR commencing from the date the SECOND PARTY assumes his post. This Contract is renewable automatically if neither of the PARTIES notifies the other PARTY of his wishes to terminate the Contract by at least ONE MONTH prior to the expiration of the contractual period. [Petition, pp. 6-7; Rollo, pp. 7-8].

The contract was automatically renewed when private respondent was not repatriated by his Saudi employer but instead was assigned to work as a crusher plant operator.

On March 30, 1983, while he was working as a crusher plant operator, private respondent's right ankle was crushed under the machine he was operating.

On May 15, 1983, after the expiration of the renewed term, private respondent returned to the Philippines. His ankle was operated on at the Sta. Mesa Heights Medical Center for which he incurred expenses.

On September 9, 1983, he returned to Saudi Arabia to resume his work. On May 15, 1984, he was repatriated.

Upon his return, he had his ankle treated for which he incurred further expenses.

On the basis of the provision in the employment contract that the employer shall compensate the employee if he is injured or permanently disabled in the course of employment, private respondent filed a claim, docketed as POEA Case No. 84-09-847, against petitioner with respondent Philippine Overseas Employment Administration. On April 10, 1986, the POEA rendered judgment in favor of private respondent, the dispositive portion of which

reads:

WHEREFORE, judgment is hereby rendered in favor of the complainant and against the respondent, ordering the latter to pay to the complainant:

- SEVEN THOUSAND NINE HUNDRED EIGHTY-FIVE PESOS and 60/100 (P7,985.60), Philippine currency, representing disability benefits;
- TWENTY-NINE THOUSAND NINETY-SIX Philippine pesos and 20/100 (P29,096.20) representing reimbursement for medical expenses;
- Ten percent (10%) of the above-mentioned amounts as and for attorney's fees. [NLRC Resolution, p. 1; Rollo, p. 16].

On appeal, respondent NLRC affirmed the decision of the POEA in a resolution dated December 12, 1986.

Not satisfied with the resolution of the POEA, petitioner instituted the instant special civil action for certiorari, alleging grave abuse of discretion on the part of the NLRC.

- Petitioner claims that the NLRC gravely abused its discretion when it ruled that petitioner was liable to private respondent for disability benefits since at the time he was injured his original employment contract, which petitioner facilitated, had already expired. Further, petitioner disclaims liability on the ground that its agency agreement with the Saudi principal had already expired when the injury was sustained.

There is no merit in petitioner's contention.

Private respondents contract of employment can not be said to have expired on May 14, 1982 as it was automatically renewed since no notice of its termination was given by either or both of the parties at least a month before its expiration, as so provided in the contract itself. Therefore, private respondent's injury was sustained during the lifetime of the contract.

A private employment agency may be sued jointly and solidarily with its foreign principal for violations of the recruitment agreement and the contracts of employment:

Sec. 10. Requirement before recruitment. - Before recruiting any worker, the private employment agency shall submit to the Bureau the following documents:

(a) A formal appointment or agency contract executed by a foreign-based employer in favor of the license holder to recruit and hire personnel for the former . . .

* * *

- Power of the agency to sue and be sued jointly and solidarily with the principal or foreign-based employer for any of the violations of the recruitment agreement and the contracts of employment. [Section 10(a)(2) Rule V, Book I, Rules to Implement the Labor Code].

Thus, in the recent case of *Ambraque International Placement & Services v. NLRC* [G.R. No. 77970, January 28, 1988], the Court ruled that a recruitment agency was solidarily liable for the unpaid salaries of a worker it recruited for employment in Saudi Arabia.

Even if indeed petitioner and the Saudi principal had already severed their agency agreement at the time private respondent was injured, petitioner may still be sued for a violation of the employment contract because no notice of the agency agreement's termination was given to the private respondent:

Art. 1921. If the agency has been entrusted for the purpose of contracting with specified persons, its revocation

shall not prejudice the latter if they were not given notice thereof. [Civil Code].

In this connection the NLRC elaborated:

Suffice it to state that albeit local respondent M.S. Catan Agency was at the time of complainant's accident resulting in his permanent partial disability was (sic) no longer the accredited agent of its foreign principal, foreign respondent herein, yet its responsibility over the proper implementation of complainant's employment/service contract and the welfare of complainant himself in the foreign job site, still existed, the contract of employment in question not having expired yet. This must be so, because the obligations covenanted in the recruitment agreement entered into by and between the local agent and its foreign principal are not coterminous with the term of such agreement so that if either or both of the parties decide to end the agreement, the responsibilities of such parties towards the contracted employees under the agreement do not at all end, but the same extends up to and until the expiration of the employment contracts of the employees recruited and employed pursuant to the said recruitment agreement. Otherwise, this will render nugatory the very purpose for the which the law governing the employment of workers for foreign jobs abroad was enacted. [NLRC Resolution, p. 4; Rollo, p. 18]. (Underscoring supplied).

- Petitioner contends that even if it is liable for disability benefits, the NLRC gravely abused its discretion when it affirmed the award of medical expenses when the said expenses were the consequence of private respondent's negligence in returning to work in Saudi Arabia when he knew that he was not yet medically fit to do so.

Again, there is no merit in this contention.

No evidence was introduced to prove that private respondent was not medically fit to work when he returned to Saudi Arabia. Exhibit "B", a certificate issued by Dr. Shafquat Niazi, the camp doctor, on November 1, 1983, merely stated that private respondent was "unable to walk properly, moreover he is still complaining (of) pain during walking and different lower limbs movement" (Annex "B", Reply; Rollo, p. 51). Nowhere does it say that he was not medically fit to work.

Further, since petitioner even assisted private respondent in returning to work in Saudi Arabia by purchasing his ticket for him (Exhibit "E"; Annex "A", Reply to Respondents' Comments), it is as if petitioner had certified his fitness to work. Thus, the NLRC found:

Furthermore, it has remained unrefuted by respondent that complainant's subsequent departure or return to Saudi Arabia on September 9, 1983 was with the full knowledge, consent and assistance of the former. As shown in Exhibit "E" of the record, it was respondent who facilitated the travel papers of complainant. [NLRC Resolution, p. 5; Rollo, p. 19].

WHEREFORE, in view of the foregoing, the petition is DISMISSED for lack of merit, with costs against petitioner.

SO ORDERED.

Fernan (Chairman), Gutierrez, Jr., Feliciano, and Bidin, JJ., concur.

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