

**LEOPARD SECURITY AND INVESTIGATION AGENCY, PETITIONER,
VS. THE HONORABLE NATIONAL LABOR RELATIONS COMMISSION,
ROMEO NERO AND PILIPINAS BANK, RESPONDENTS.**

G.R. No. 89923. June 25, 1990

Ponente: GANCAYCO, J.

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GANCAYCO, J.:

The extent of the liability of an employer to an employee with respect to the payment of the latter's salary and other benefits is the crux of the issue in the instant petition.

The record of the case discloses that since June 30, 1985, private respondent Romeo Nero had been employed as a security guard of petitioner Leopard Security and Investigation Agency. He was assigned as a security guard for private respondent Pilipinas Bank, then a client of the petitioner. Later on, he was assigned to another client, the Far East Bank and Trust Company. On July 20, 1987, he resigned from the petitioner agency.

On August 13, 1987, the said private respondent filed a complaint against the petitioner with the National Labor Relations Commission. The complaint was for illegal dismissal, underpayment of salaries, non-payment of overtime pay, legal holiday pay, premium for holiday pay and separation pay, as well as for violation of the provisions of certain labor laws such as Presidential Decrees Nos. 851, 928 and 1125.

The petitioner argued that the private respondent voluntarily resigned from the company and executed a quitclaim absolving the company from any financial liability in relation to his previous employment, and that as such, he was estopped from the aforementioned complaint. The petitioner impleaded private respondent Pilipinas Bank as a third-party defendant.

On June 6, 1988, Labor Arbiter Cornelio T. Linsangan, to whom the case was assigned, rendered a decision in favor of private respondent Romeo Nero. The dispositive portion of the said decision is as follows - -

“WHEREFORE, judgment is hereby rendered ordering the respondent Leopard Security and Investigation Agency and the third-party respondent Pilipinas Bank to pay complainant the sum of P12,634.75 as underpayment of his basic salary, ECOLA and overtime. In addition, the respondent security agency is directed to pay complainant P1,000.00 as uniform allowance and the further sum of P1,000.00 as underpayment of 13th month pay.

“The complaint for illegal dismissal and other monetary claims are dismissed.”[1]

The petitioner and the private respondent bank appealed the decision of the labor arbiter to the National Labor Relations Commission. On August 31, 1989, the First Division of the respondent Commission rendered a resolution affirming the decision of the labor arbiter.[2]

On October 12, 1989, the petitioner elevated the case to this Court by way of the instant petition. The petitioner argues that the labor arbiter and the respondent Commission cannot hold it solidarily liable with Pilipinas Bank as

regards the sum of money awarded to private respondent Romeo Nero, and that the bank alone should shoulder the same, for the following reasons - -

(1) The written agreement executed between the petitioner and Pilipinas Bank with respect to security services had been modified verbally by the same parties.

(2) Pilipinas Bank will be enriching itself at the expense of the petitioner if the latter is made to pay the sum of money awarded to private respondent Romeo Nero.

(3) Private Respondent Romeo Nero had executed a quitclaim in favor of the petitioner.

As instructed by this Court, the adverse parties commented on the petition, with the Office of the Solicitor General representing the respondent Commission. The adverse parties contested the allegations of the petition and, accordingly, prayed for its dismissal.[3]

The petitioner filed a reply alleging therein that under the pertinent provisions of the law, it cannot be held liable with its principal Pilipinas Bank.[4] Sometime thereafter, the case was deemed submitted for decision.

The petition is erroneously captioned as a “Petition for Review” inasmuch as labor cases are reviewed by this Court by way of a special civil action for certiorari under Rule 65 of the Rules of Court and not by way of an appeal.[5] This error notwithstanding, and in the interest of justice, the Court resolved to treat the instant petition as a special civil action for certiorari on account of the jurisdictional issues raised herein.[6]

As to the substance of the petition, the Court finds the same devoid of merit.

It clearly appears that there is an employer-employee relationship between the petitioner security agency and private respondent Romeo Nero. This observation is confirmed by the terms of the service contract executed between the petitioner security agency and its client Pilipinas Bank, to wit --

“7. That the SECURITY AGENCY is not an agent or employee of the CLIENT and the guards to be assigned by the SECURITY AGENCY to the CLIENT are in no sense employees of the latter as they are for all intents and purposes employees of the SECURITY (AGENCY)...”[7] (Emphasis supplied.)

Attention is also called to another provision of said service contract which recites that the petitioner security agency shall be solely liable to pay all such claims that the security guard may have by virtue of his employment, viz --

“8. That the SECURITY AGENCY shall be solely liable for any claim made by the security guards assigned to various branches and premises for its violations of the Minimum Wage Law, ... and such other applicable laws and decrees, which are now existing or any decree which may hereinafter be enacted, and the CLIENT shall be absolved, freed, and discharged absolutely and unconditionally from any and all such claims or suits.”[8] (Emphasis supplied.)

The petitioner cannot be heard to state that the service contract had been modified by the parties concerned albeit in a verbal manner. No evidence has been presented by the petitioner to support its allegation to this effect. Besides, under the rule on parol evidence,[9] where the terms of an agreement have been reduced to writing, as in this case, it is to be considered as containing all such terms and, therefore, there can be, between the parties and their successors-in-interest, no evidence of the terms of the agreement other than the contents of the writing. Likewise, the petitioner may not validly allege unjust enrichment on the part of Pilipinas Bank inasmuch as the terms of the service contract between them were voluntarily negotiated. If the petitioner firm got a bad bargain, the misadventure is, in the absence of fraud, for its own account. As to the allegation that private respondent Romeo Nero executed a quitclaim in favor of the petitioner, suffice it to say that the same has not been

sufficiently proved. The petition merely mentions the contents of the alleged quitclaim with no further indication of its authorship. Thus, it may not be said that private respondent Romeo Nero is estopped from filing the complaint against the petitioner.

From the foregoing, the liability of the petitioner to pay private respondent Romeo Nero the award in his favor is clearly established.

Notwithstanding the service contract between the petitioner and private respondent Pilipinas Bank, the latter is solidarily liable with the petitioner with respect to the sum of money awarded to private respondent Romeo Nero pursuant to Article 106 of the Labor Code. In this regard, the Court cites with approval the following observation of the respondent Commission, thus --

“Under Article 106 of the Labor Code, Leopard Security and Investigation Agency is a contractor, with respect to herein respondent Pilipinas Bank. Under the same provision, in case the contractor fails to pay the wages of its employee in accordance with law, the indirect employer, who is the respondent Bank in this case, is jointly and severally liable with the contractor to the employee to the extent of the work performed under the contract, in the same manner and extent that he is liable to the employees directly employed by him. Of course, if the Bank by any chance voluntarily pays the claims of herein complainant, it has the right to recover whatever amount it has paid from Leopard Security and Investigation Agency under the contract it executed with the latter.”[10]

Thus, while Pilipinas Bank is solidarily liable with the security agency with respect to the award in favor of Romeo Nero, if the bank decides to pay the same, it can recover whatever amount it had paid the worker in accordance with the terms of the service contract between the petitioner and the bank, particularly the provision which vests sole liability on the petitioner as regards the claim of the workingman.

In fine, the Court finds no jurisdictional infirmity in the questioned resolution of the National Labor Relations Commission.

WHEREFORE, the instant petition is hereby DISMISSED for lack of merit, with costs against the petitioner.

SO ORDERED.

Narvasa, (Chairman), Cruz, and Medialdea, JJ., concur.

Griño-Aquino, J., on leave.

[1] Page 25, Rollo. The case was docketed as NLRC NCR Case No. 08-02838-87.

[2] Pages 25 to 28, Rollo.

[3] Pages 39 to 44 and 52 to 61, Rollo.

[4] Pages 66 to 72, Rollo.

[5] Asiaworld Publishing House, Inc. vs. Ople, 152 SCRA 219 (1987).

[6] Dentech Manufacturing Corporation vs. National Labor Relations Commission, G.R. No. 81477, April 19, 1989.

[7] Page 5, Comment of the Solicitor General; page 56, Rollo.

[8] Pages 5 and 6, Comment; pages 56 and 57, Rollo.

[9] Section 7, Rule 130, Rules of Court.

[10] Page 10, Rollo.

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