328 Phil. 498

THIRD DIVISION

[G.R. No. 110241, July 24, 1996]

ASIA BREWERY, INC., PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION AND ISIDRO ORATE, ET AL., RESPONDENTS.

R E S O L U T I O N

FRANCISCO, J.:

Petitioner Asia Brewery, Inc. (ABI) entered into a contract with Era Industries (ERA) for the supply of workers to its brewery plant. In compliance therewith, ERA referred for employment some of herein private respondents to petitioner. Upon the termination of its service contract with ERA, the petitioner entered into another service contract, this time with Cabuyao Maintenance and Services, Inc. (CMSI). The contract provides, among other things, the following:

> "1. MANPOWER AND SERVICES:
>
> The CONTRACTOR[1] shall provide the CLIENT[2] with his own labor force and personnel whom he shall furnish and/or assign to its CLIENT, specifically at its Beer Division in such number as may be required with the proper tools, materials, implements and gadgets /equipments necessary to meet the needs of the CLIENT, as far as maintenance, janitorial, utility and relative services and activities are concerned.
>
> xxx xxx xxx
>
> "3. WARRANTIES AND LIABILITIES:
>
> It is being understood that the workers or personnel to be so engaged are strictly those of the CONTRACTOR and not of the CLIENT, the CONTRACTOR hereby warrants that it shall fully comply with all labor laws, decrees, rules and regulations and the CONTRACTOR hereby relieves the CLIENT from any liability whatsoever in the event any claim, arising under any such law, decree, rule or regulation, is presented/filed.
>
> xxx xxx xxx"[3]

Upon CMSI's assumption of the contractorship agreement, petitioner instructed private respondents to apply for employment with CMSI. Thereafter, CMSI executed individual employment agreements with private respondents. The agreement required the private respondents, among others, to comply with the petitioner's rules and regulations and prohibited them from joining strikes staged by the regular employees. Thus, private respondents continued to work for petitioner under the auspices of CMSI which allegedly employed and referred them to ABI for janitorial

and maintenance services. Other workers were also sent by CMSI to the petitioner as required by the latter, and at present, the former has already placed 400 to 450 workers at ABI.[4]

On July 5, 1991, private respondents filed a complaint agrainst the petitioner for non-payment of overtime pay, legal holiday pay, service incentive leave pay, non-regularization of employment, underpayment of night differential pay and recall of penalties of warning from their 201 files. On July 29, 1991, a supplemental complaint with motion for immediate reinstatement was filed on the ground that private respondents were illegally dismissed. The complaint for illegal dismissal stemmed from private respondents' non-admission to work when they requested for leave to attend the July 25, 1991 hearing of the original complaint, confiscation by petitioner's security guard of private respondents' identification cards and disallowance of their entry into the premises of petitioner. In addition, petitioner informed CMSI that private respondents were "put on hold" until the termination of the case and requested that replacements be furnished.[5]

As for its defense, petitioner denied that it was the employer of private respondents arguing that the warranties and liability clause in the CMSI-ABI service contract specifically provides that CMSI assumed all the liabilities arising from employer-employee relationship. At the hearing with the Labor Arbiter, three issues were presented for resolution, to wit: (1) whether or not private respondents were the employees of petitioner, (2) whether or not they illegally dismissed, and (3) whether or not private respondents are entitled to their claims. Ruling in favor of private respondents, the Labor Arbiter found that CMSI is a labor-only contractor; thus, for all intents and purposes, private respondents are considered the regular and permanent employees of petitioner and necessarily entitled to their monetary claims. On appeal, the National Labor Relations Commission (NLRC) affirmed the decision of the Labor Arbiter with the modification that petitioner should be held jointly and severally liable with CMSI. Hence, this petition ascribing the following assignment of errors:

> **"THAT THE DECISION PROMULGATED BY THE NLRC WAS RENDERED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION AS THE SAME IS AGAINST THE FACTS AND THE LAW.**
>
> **"THE NLRC COMMITTED SERIOUS ERRORS AND MANIFEST MISAPPRECIATION IN ITS FINDINGS OF FACT, WHICH IF NOT CORRECTED WOULD CAUSE GRAVE AND IRREPARABLE INJURY AND DAMAGE TO THE PETITIONER."**

Petitioner contends that both the labor arbiter and the NLRC misappreciated the evidence of the case and grossly erred in finding that an employer-employee relationship exists between ABI and private respondents. The contention is untenable.

As a rule, the original and exclusive jurisdiction to review a decision or resolution of respondent NLRC does not include a correction of its evaluation of the evidence, but is confined to the issues of jurisdiction or grave abuse of discretion.[6] The Supreme Court is bound by the findings of fact there being no showing that neither the arbiter nor the NLRC gravely abused its discretion or otherwise acted without jurisdiction or