CAGAYAN DE ORO CITY

TWENTY-THIRD DIVISION

[CA-G.R. SP NO. 05016-MIN, February 27, 2015]

EMERSON LIM, OWNER AND PROPRIETOR OF IGACOS COCO TECHNOLOGY, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION (EIGHTH DIVISION) AND ABRAHAM T. ALMENDRAS AND GEORGE LERASAN, RESPONDENTS.

DECISION

SANTOS, J.:[1]

This is a Petition for Certiorari[2] under Rule 65 of the Rules of Court seeking to set aside the Resolution3 dated 21 February 2012 of the National Labor Relations Commission (NLRC), Eighth Division, Cagayan de Oro City, in NLRC No. MAC-09-012233-2011 dismissing petitioner's appeal, thereby, affirming the Decision[4] dated 28 April 2011 of the Labor Arbiter directing petitioner to pay private respondents' monetary claims in the total amount of Php 53,750.00; and the NLRC Resolution[5] dated 24 May 2012 denying petitioner's Motion for Reconsideration.[6]

The Antecedents

Petitioner is the owner and proprietor of Igacos Coco Technology located at Maag, Peñaplata, Island Garden City of Samal, which is engaged in the business of processing and exporting coco fiber.[7]

On 11 October 2010, private respondents Abraham T. Almendras (Almendras) and George Lerasan (Lerasan), together with Virgilio E. Segon (Segon) and Bonnie O. Dayon (Dayon), filed a Complaint before the NLRC, Regional Arbitration Branch XI, Davao City, against petitioner and Everbliss Human Resources (Everbliss) for underpayment of salaries, and non-payment of holiday pay, allowances, 13th month pay and service incentive leave pay.[8] Said Complaint was later amended on 10 February 2011 to include the claim for illegal dismissal.[9]

Private respondents Almendras and Lerasan claim that they were hired by petitioner as truck loader on 15 October 2008, and billing/packer on 07 October 2008, respectively,[10] while Segon and Dayon were both hired by petitioner as driers of coco fiber on 24 September 2009 and 15 June 2010, respectively.[11] All of them had a salary rate of Php150.00 a day.[12]

In their Position Paper filed before the Labor Arbiter, private respondents Almendras and Lerasan aver that until November 2009, petitioner's supervisors were the ones overseeing their work. In the same Position Paper, however, they also claim that sometime in June 2009, a representative of Everbliss came to their workplace and made all workers sign a blank sheet of paper as a requisite for their continued

employment. They allege that after they signed the same, they received a letter informing them that they have entered a contract with Everbliss for a period of five (5) months, and they were thereafter placed under the supervision of Everbliss.[13]

Sometime in the early part of 2010, private respondents allegedly complained to petitioner regarding some money claims, but they were allegedly told to leave their jobs if they were not satisfied with their pay. Subsequently, on 30 September 2010, petitioner allegedly posted a Memorandum addressed to all workers informing of a one (1)-week cessation of operations due to lack of materials to process. However, private respondents claim that when they checked the work premises after two (2) days, they found out that operations were never stopped but they were already replaced by other workers. Thus, they were constrained to file the Complaint they filed before the Labor Arbiter.[14]

As for petitioner, he avers that on 17 March 2010, he executed an Agreement with Everbliss, allegedly a legitimate job contractor, for the latter to supply reliever workers to perform various jobs in the production area of petitioner. According to petitioner, Everbliss has adequate capital, equipment and expertise for the conduct of providing management services to the public.[15] It is also duly registered with the Department of Labor and Employment (DOLE) and is a Registered Barangay Micro Business Enterprise (BMBE).[16] The Agreement between petitioner and Everbliss was to commence from 01 March 2010 to 01 March 2011.[17]

Petitioner points to Everbliss as the one responsible for the claims of private respondents, emphasizing that the former has admitted that the latter are its employees.[18]

Everbliss submitted copies of the Cash Vouchers to prove that it had paid private respondents' holiday pay, service incentive leave pay, and 13th month pay.[19] It also denies the claim for illegal dismissal allegedly because private respondents had resigned voluntarily[20] as shown by their resignation letters, proofs of receipt of financial assistance and Deeds of Release, Waiver and Quitclaim.[21]

On 28 April 2011, the Labor Arbiter rendered a Decision, the dispositive portion of which reads, *viz.*:

> WHEREFORE, in view of the foregoing, judgment is hereby rendered dismissing the complaint of Virgilio E. Segon for lack of merit. Respondent IGACOS COCO Technology/EMERSON LIM, Owner, are hereby ordered to pay the above-named complainants the total amount of PESOS: FIFTY THREE THOUSAND SEVEN HUNDRED FIFTY ONLY (P53,750.00) representing separation pay, salary differential, allowances and 13th month pay plus ten percent (10%) of the award as attorney's fees.
>
> All other claims are dismissed for lack of basis.
>
> The complaint of Bonnie O. Dayson is considered as settled and closed and dismissed with prejudice.

SO ORDERED.[22]

Dissatisfied, petitioner appealed the said Decision to the NLRC on 01 July 2011.[23] However, on 21 February 2012, the NLRC issued a Resolution[24] dismissing petitioner's appeal, thereby, affirming the Labor Arbiter's Decision of 28 April 2011. Petitioner's Motion for Reconsideration[25] filed on 22 March 2012 was also denied in the NLRC's Resolution dated 24 May 2012.[26]

Hence, petitioner resorted to the instant recourse before this Court with an application for the issuance of a Temporary Restraining Order (TRO) and/or Writ of Preliminary Injunction (WPI).[27]

In a Resolution[28] dated 24 January 2013, this Court denied the application for issuance of a TRO and/or WPI. Thus, the parties submitted their respective Memoranda.[29]

In this Court's Resolution[30] dated 18 August 2014, the instant case was referred to the Philippine Mediation Center for mediation. However, because no settlement was reached, the instant case was referred back for judicial proceedings.[31]

The Issue

Petitioner raises the following as the sole issue to be resolved in the instant petition, *viz.*:

> PUBLIC RESPONDENT HAS COMMITTED A GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN IT AFFIRMED THE AWARD FOR SEPARATION PAY, SALARY DIFFERENTIAL, ALLOWANCES AND 13TH MONTH PAY TO PRIVATE RESPONDENTS NOTWITHSTANDING THE FACT THAT THEIR (sic) WAS NO EVIDENCE THAT THEY WERE EMPLOYEES OF THE PETITIONER DURING THE PERIOD FROM OCTOBER 15, 2008 TO MAY 31, 2009.[32]

This Court's Ruling

Petitioner ascribes grave abuse of discretion upon the NLRC for affirming the Labor Arbiter's ruling holding it liable for the money claims of private respondents allegedly because the latter's employer is Everbliss who, in fact, categorically admits to being their employer, while there is allegedly no evidence showing that they were under petitioner's employment for the period from 15 October 2008 to 31 May 2009.[33]

Petitioner's position is bereft of merit. After an assiduous examination of the records, this Court cannot subscribe to petitioner's contention that it is not the employer of private respondents, hence, not liable for the latters' money claims for the said period.

In the following documents and pleadings, namely: a) Complaint[34] before the Labor Arbiter; b) Position Paper[35] before the Labor Arbiter; c) Affidavit[36]

attached to said Position Paper; d) Comment[37] to the Memorandum of Appeal filed before the NLRC; and e) Memorandum[38] filed before this Court, private respondents consistently stated that "Abraham T. Almendras was hired by respondent IGACOS COCO TECHNOLOGY as a trucking (loader of coconut fiber to the truck used for transportation) sometime on October 15, 2008" while "George Lerasan xxx was hired by respondent IGACOS COCO as a billing (packer) for coconut fiber sometime on October 7, 2008."[39]

On the other hand, for petitioner, while he adamantly denies the existence of an employee-employer relationship with private respondents, he admits that the latter were assigned and worked at his business establishment.[40] With such an admission, it strains credulity that private respondents Abraham T. Almendras and George Lerasan, truck loader of coconut fiber and packer of coconut fiber, respectively, which jobs are clearly necessary and related to the main business of petitioner which is the processing and exporting of coco fiber, would just be at petitioner's workplace for no reason at all. It would be more in accord with logic and the natural course of things that they were there in order to work at said establishment. Hence, petitioner's theory that private respondents were total strangers to him does not inspire belief.

Thus, weighing private respondents' asseveration that they were the workers of petitioner *vis-à-vis* the latter's denial of an employer-employee relationship, this Court is constrained to rule in favor of the former. While it may be true that in labor cases the burden to prove the existence of an employer-employee relationship rests upon the employee especially when the employer denies the same,[41] the attendant circumstances in the present case compel this Court to rule that an employer-employee relationship exists between petitioner and private respondents, notwithstanding the seeming lack of substantial evidence proving existence of such work relationship. This is because, although private respondents' proof of employment with petitioner mainly consists of allegations in their pleadings, and at best, a statement under oath in the form of an affidavit, the same was buttressed by petitioner's own statement that private respondents were indeed assigned and worked at his business establishment.[42]

As already discussed, between petitioner's lame denial and private respondents' positive statement that they worked for petitioner which was supported by petitioners' admission that they indeed were assigned and worked at his business establishment, this Court is convinced that, in the totality of things, the latter version is the truth. Besides, even assuming *arguendo* that there was no such admission by petitioner and neither party adduced any proof whatsoever of the presence or absence of an employment relationship, the doubt would nonetheless be weighed and resolved in the manner that would be favorable to labor,[43] in this case, the private respondents.

Additionally, the oft-repeated rule is that no particular form of evidence is required to prove the existence of an employer-employee relationship. Any competent and relevant evidence to prove the relationship may be admitted. For, if only documentary evidence such as payslips and IDs would be required to show that relationship, no scheming employer would ever be brought before the bar of justice, as no employer would wish to come out with any trace of the illegality he has

authored considering that it should take much weightier proof to invalidate a written instrument.[44]

Moreover, it is difficult to accord credence to petitioner's contention that private respondents were the workers of Everbliss alone, to the exclusion of petitioner, considering that the Agreement[45] between them which is supposed to be the basis for the transfer of the employees to Everbliss, thereby making the latter the employer of private respondents, clearly provides that the "Agreement shall remain in full force and effect for a period of one year to commence on March 1, 2010 and will end on March 1, 2011."[46] In other words, Everbliss came into the picture only beginning 01 March 2010. That brings to the fore the question of who then is private respondents' employer prior to the date of effectivity of the Agreement with Everbliss? If petitioner's position that he was not their employer would be believed, and considering that private respondents Abraham T. Almendras and George Lerasan were hired on 15 October 2008 and on 07 October 2008, respectively, it means that private respondents did not have any employer between the time of their hiring in October 2008 up to 28 February 2010 since Everbliss supposedly became their employer on 01 March 2010 only. Surely, such absurd scenario does not deserve this Court's consideration at all.

Besides, the Agreement between petitioner and Everbliss has the following pertinent provisions, *viz.*:

> WHEREAS, the CLIENT has agreed to hire the services of the CONTRACTOR in order to supply reliever workers to perform various jobs in the production area;
>
> WHEREAS, EVERBLISS HUMAN RESOURCES is a duly licensed firm with adequate capital, equipment and expertise primarily engaged in the business of contracting for and providing management services to the general public;
>
> WHEREAS, IGACOS Coco Technology hired the services and expertise of herein CONTRACTOR to provide reliever workers to do various jobs for them subject to the terms and conditions hereinafter agree[d] upon; xxx [47]

Considering the avowed purpose of the abovequoted Agreement which was for Everbliss "to supply reliever workers to perform various jobs in the production area" of petitioner, it is clear that Everbliss merely recruited, supplied, or placed reliever workers to perform jobs and activities which are directly related to the main business of petitioner. The fact that Everbliss was to supply reliever workers to petitioner presupposes that petitioner has his own set of "original" or regular workers before Everbliss came into the picture. It goes without saying then that the latter was to provide workers only to replace or substitute for those regular workers who cannot render work in particular day/s. Since Everbliss is tasked to supply reliever workers only, this means two (2) things, *viz.*: a) the reliever workers of Everbliss were to perform jobs similar to that of the regular workers, hence, their jobs were clearly directly related to the principal business of petitioner; and b) petitioner has his own set of regular workers to begin with. The latter, therefore, debunks petitioner's position that it has never become an employer, thus, buttressing again private respondent's position that they were the workers of