

# Republic of the Philippines Supreme Court Manila

# **SECOND DIVISION**

ANTONIO D. ORLANES, Petitioner,

G.R. No. 247702

- versus -

STELLAMARRISSHIPMANAGEMENT,INC.,FAIRPORTSHIPPINGCO.,LTD.,and/orDANILONAVARRO,

Respondents.

Present:

PERLAS-BERNABE, S.A.J, Chairperson, LAZARO-JAVIER, M. LOPEZ, ROSARIO, and J. LOPEZ,<sup>\*</sup> JJ.

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# **DECISION**

# PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*<sup>1</sup> are the Decision<sup>2</sup> dated September 27, 2018 and the Resolution<sup>3</sup> dated March 1, 2019 of the

<sup>\*</sup> Designated Additional Member per Special Order No. 2822 dated April 7, 2021.

Rollo, pp. 9-22. While the present petition's title indicates Stella Marris Shipmanagement, Inc., Fairport Shipping Co., Ltd., and/or Danilo Navarro as respondents, petitioner Antonio D. Orlanes also mentioned the following as respondents in the petition's body: Skippers United Pacific, Inc., Danilo Navarro, and Fairport Shipping Limited, Inc. (see *rollo*, p. 11). From the records, Stella Marris and Skippers are different entities with different addresses; Skippers, however, was not impleaded as a party-respondent in the present complaint (see Orlanes' Position Paper before the CA, May 31, 2013 LA Decision, and NLRC's October 30, 2013 Decision (see CA *rollo*, pp. 40-44, 59-64, 18-35, respectively), as well as in the proceedings before the CA (see CA's September 27, 2018 Decision).

<sup>&</sup>lt;sup>2</sup> Id. at 27-36. Penned by Associate Justice Nina G. Antonio-Valenzuela with Associate Justices Marlene B. Gonzales-Sison and Germano Francisco D. Legaspi, concurring.

<sup>&</sup>lt;sup>3</sup> Id. at 25-26.

Court of Appeals (CA) in CA-G.R. SP No. 134259, which affirmed the Decision<sup>4</sup> dated October 30, 2013 and the Resolution<sup>5</sup> dated December 26, 2013 of the National Labor Relations Commission (NLRC) in LAC No. 07-000700-13, dismissing petitioner Antonio D. Orlanes' (Orlanes) money claims.

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# The Facts

On July 24, 2012, Orlanes filed a complaint<sup>6</sup> (second complaint) before the Labor Arbiter (LA) for non-payment of salary, travel allowance, and leave pay, as well as for payment of damages plus attorney's fees against his foreign principal employer Fairport Shipping Co., Ltd. (Fairport), its current local manning agency Stella Marris Shipmanagement, Inc. (Stella Marris),<sup>7</sup> and officer Danilo Navarro (Navarro) (collectively, respondents). Orlanes alleged that Fairport employed him as Master on board the vessel M/V Orionis from August 4, 2009 to July 24, 2010. Fairport, however, did not pay his salary, although they assured him that this will be paid in full upon disembarkation. Thus, he agreed to disembark from the vessel on July 27, 2010 without receiving his unpaid salary in the amount of US\$8,819.73, travel allowance in the amount of US\$59.57, and leave pay in the amount of US\$5,680.26, or a total of US\$14,559.56.8 Despite his demand, respondents refused to make the payment. Hence, his complaint.

In response,9 Stella Marris argued that it cannot be held liable for the aforementioned claims of Orlanes. While it had executed an Affidavit of Assumption of Responsibility, the same only pertained to the assumption of full and complete responsibility for all contractual obligations to the seafarers originally processed and recruited by its immediate predecessor, Global Gateway Crewing Services, Inc. (Global). Thus, since Orlanes was originally hired by Skippers United Pacific Inc. (Skippers), and that the obligations under his contract were transferred to Global and not assumed by Stella Marris, the latter cannot be held liable.

Notably, prior to the filing of the second complaint as abovedescribed, records show that Orlanes had earlier filed a complaint<sup>10</sup> against Skippers, Fairport, and Jerosalem P. Fernandez (first complaint). During the pendency thereof, Skippers filed a Motion to Implead and Substitute Global

<sup>4</sup> CA rollo, pp. 18-25. Penued by Presiding Commissioner Raul T. Aquino with Commissioners Teresita D. Castillon-Lora and Erlinda T. Agus, concurring. 5

Id. at 33-35.

<sup>6</sup> Id. at 36-39. See also Complainant's Position Paper, docketed as NLRC Case No. (M)NCR-07-11141-12, id. at 40-44.

Id. at 41. With address at 447 Rizal Tower, Singion St. corner Makati Ave., Makati City (see Complainant's Position Paper).

Id. at 46. See also rollo, p. 28.

<sup>9</sup> Id. at 47-52. See also LA's May 31, 2013 Decision, CA rollo, pp. 61-62; and CA's September 27, 2018 Decision, rollo, pp. 28-29. 10

See id. at 59 and 101. Docketed as NLRC NCR Case No. (M) 03-04763-11.

instead as the latter had executed an Affidavit of Assumption of Responsibilities<sup>11</sup> dated May 9, 2011 in favor of Skippers, which was a requirement for the transfer of the accreditation of the vessel. A few months later, or on December 6, 2011, Global, however, filed an Urgent Motion to Re-Open and to Implead Stella Marris as the latter had executed its own Affidavit of Assumption of Responsibilities<sup>12</sup> dated November 17, 2011 in favor of Global to facilitate the second transfer of the accreditation.<sup>13</sup> Records fail to show if the said motion was acted upon.

Nonetheless, in view of the succeeding transfers of Fairport's manning agent from Skippers to Global, and Global to Stella Marris, the LA rendered a Decision<sup>14</sup> dated December 29, 2011 dismissing the *first* complaint, without prejudice to Orlanes' refiling of the case against the alleged proper parties, *i.e.*, Global, Fairport, and Stella Marris.

Aggrieved, Orlanes filed an appeal before the NLRC which was likewise dismissed in a Resolution<sup>15</sup> dated March 20, 2012 due to his failure to sign the certificate of non-forum shopping. Orlanes no longer moved for

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5. That this affidavit is being executed in compliance with Section 8 Rule IV Section 7 Rule II Part III of the POEA rules and regulations governing the Recruitment and employment of seafarers.

x x x x (Emphasis and underscoring supplied)

<sup>12</sup> Id. at 84. It pertinently provides:

2. That Fairport Shipping Ltd., our foreign principal, a company duly organized and existing under the laws of the Republic of Greece with office address at 17 A, Kondyll Str, Glyfada Greece, has designated our company as its lawful representative in the Philippines;

3. That as agent of the above principal in the Philippines, our company is willing to assume full and complete responsibility for all contractual obligations to its seafarers originally processed and recruited by <u>Global Gateway Crewing Services Inc</u>, for the following vessels: MV Asahi, MV Orionis, MV Taisetsu and MV Saetta;

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5. That this affidavit is being executed in compliance with Section 8 Rule II/Section 7 Rule II, Part III of the POEA Rules and Regulations Governing the Recruitment and Employment of Seafarers.

x x x x" (Emphasis and underscoring supplied)

<sup>&</sup>lt;sup>11</sup> Id. at 136. It pertinently provides:

<sup>2.</sup> That FAIRPORT SHIPPING LIMITED, our foreign principal, a company duly organized and existing under the laws of Greece with principal office at 17A, Kondyll St. Glyfada 16675 Greece, has designated our company as its lawful representative in the Philippines;

<sup>3.</sup> That as agent of the above principal in the Philippines, our company is willing to assume full and complete responsibility for all contractual obligations to its seafarers originally recruited and processes [sic] by <u>SKIPPERS UNITED PACIFIC, INC</u>. for the vessel M/V ORIONIS.

<sup>&</sup>lt;sup>13</sup> Id. at 101-102.

<sup>&</sup>lt;sup>14</sup> Id. Penned by Labor Arbiter Arden S. Anni. See also CA *rollo*, pp. 59-60. Orlanes stated the date as February 3, 2012, see *rollo*, p. 14.

<sup>&</sup>lt;sup>15</sup> Id. at 151-154. Penned by Commissioner Napoleon M. Menese with Presiding Commissioner Raul T. Aquino and Commissioner Teresita D. Castillon-Lora, concurring.

reconsideration of the said Resolution.<sup>16</sup> Thus, as the *first* complaint was dismissed without prejudice, Orlanes filed the *second* complaint before the LA against Fairport, Stella Marris, and/or Navarro, as respondents.<sup>17</sup>

# The LA Ruling

In a Decision<sup>18</sup> dated May 31, 2013 (LA Decision), the LA granted the *second* complaint filed against herein respondents Fairport, Stella Marris, and Navarro. Accordingly, the LA held the three manning agencies, *i.e.*, Skippers, Global, and Stella Marris, solidarily liable with Fairport to pay Orlanes the sum of US\$14,559.56. Notably, while Skippers and Global were not impleaded as parties in the *second* complaint, the LA nonetheless found them liable. In particular, the LA found Skippers liable as signatory to the employment contract and Global as substitute manning agent which assumed full and complete responsibility for all contractual obligations to the seafarers originally recruited and processed by Skippers.<sup>19</sup>

Dissatisfied, Stella Marris appealed<sup>20</sup> to the NLRC.<sup>21</sup>

# The NLRC Ruling

In a Decision<sup>22</sup> dated October 30, 2013, the NLRC set aside the LA Decision and instead dismissed the *second* complaint. It ruled that the LA erred in holding Skippers and Global solidarily liable with Fairport since they were not impleaded as parties in the *second* complaint. On the other hand, it found no basis to hold Stella Marris liable, considering that the latter was not the local manning agency which originally deployed Orlanes and it did not assume the liability of Skippers as the deploying agency. Rather, according to the NLRC, it was Skippers which should have been held liable pursuant to Section 10<sup>23</sup> of Republic Act No. (RA) 8042, otherwise known

The liability of the principal/employer and the recruitment/placement agency for any and all claims under this section shall be joint and several. This provision shall be incorporated in the contract for overseas employment and shall be a condition precedent for its approval. The performance bond to de filed by the recruitment/placement agency, as provided by law, shall be answerable for all money claims or damages that may be awarded to the workers. If the recruitment/placement agency is a juridical being, the corporate officers and directors and partners as the case may be, shall themselves be jointly and solidarily liable with the corporation or partnership for the aforesaid claims and damages.

<sup>&</sup>lt;sup>16</sup> See id. at 60.

<sup>&</sup>lt;sup>17</sup> See id. at 60-61.

<sup>&</sup>lt;sup>18</sup> Id. at 59-64. Penned by Labor Arbiter Arden S. Anni.

<sup>&</sup>lt;sup>19</sup> See id. at 62.

 <sup>&</sup>lt;sup>20</sup> Id. at 65-76. See Notice of Appeal with Memorandum of Appeal dated July 5, 2013. See also *rollo*, p. 29.
<sup>21</sup> See rollo, p. 29.

<sup>&</sup>lt;sup>21</sup> See *rollo*, p. 29. <sup>22</sup> CA rollo pp. 18-7

 <sup>&</sup>lt;sup>22</sup> CA *rollo*, pp. 18-25.
<sup>23</sup> Section 10 of PA 80.

<sup>&</sup>lt;sup>23</sup> Section 10 of RA 8042, as amended by RA 10022, pertinently reads:

SEC. 10. Money Claims. - x x x

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as the "Migrant Workers and Overseas Filipinos Act of 1995," as amended by RA 10022, which provides that the liability of the original manning agency continues during the entire period of the employment contract and is not affected by the transfers or substitutions of manning agencies. Finally, it observed that the liability assumed by Stella Marris under its Affidavit of Assumption of Responsibility pertained only to those employees originally recruited by Global, and not of Skippers, as Orlanes is in this case.<sup>24</sup>

Unperturbed, Orlanes moved for reconsideration but was denied in a Resolution <sup>25</sup> dated December 26, 2013. Thus, he filed a petition for *certiorari*<sup>26</sup> before the CA, averring that the NLRC committed grave abuse of discretion in dismissing the *second* complaint.<sup>27</sup>

## The CA Ruling

In a Decision<sup>28</sup> dated September 27, 2018, the CA agreed with the NLRC that it was Skippers, as Fairport's original manning agent, which should be held solidarily liable with Fairport for Orlanes' claims pursuant to Section 1 (e) (8), Rule II, Part II<sup>29</sup> of the Philippine Overseas Employment Administration (POEA) Rules and Regulations Governing the Recruitment and Employment of Seafarers (2003 POEA Rules and Regulations) since its liability continued during the entire period of the employment contract and was not affected by the transfers or substitutions of manning agencies.<sup>30</sup> Thus, although Fairport was a party in the *second* complaint, it proceeded to dismiss the *certiorari* petition.

e. A verified undertaking stating that the applicant shall:

8. Assume joint and solidary liability with the employer for all claims and liabilities which may arise in connection with the implementation of the employment contract, including but not limited to wages, death and disability compensation and their repatriation;

x x x x (Emphasis supplied)

<sup>30</sup> CA *rollo*, pp. 33-35.

Such liabilities shall continue during the entire period or duration of the employment contract and shall not be affected by any substitution, amendment or modification made locally or in a foreign country of the said contract. (Emphases supplied)

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<sup>&</sup>lt;sup>24</sup> See CA *rollo*, pp. 22-23.

<sup>&</sup>lt;sup>25</sup> Id. at 33-35.

<sup>&</sup>lt;sup>26</sup> Id. at 3-17. While the *certiorari* petition's title indicates Stella Marris Shipmanagement, Inc., Fairport Shipping Co., Ltd., and/or Danilo Navarro as respondents, petitioner Antonio D. Orlanes declared the following as respondents in the said petition's body: Skippers United Pacific, Inc., Jerosalem P. Fernandez, and Fairport Shipping Limited, Inc. (see id. at 5).

 <sup>&</sup>lt;sup>27</sup> See *rollo*, p. 32.
<sup>28</sup> Id. at 27.36

<sup>&</sup>lt;sup>28</sup> Id. at 27-36.

<sup>&</sup>lt;sup>29</sup> Section 1 (e) (8), Rule II, Part II of the POEA Rules and Regulations Governing the Recruitment and Employment of Seafarers:

Section 1. Requirements for Licensing. Every applicant for license to operate a manning agency shall submit a written application together with the following requirements:

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Undaunted, Orlanes moved for reconsideration, which the CA denied in a Resolution<sup>31</sup> dated March 1, 2019. Hence, this petition.

### The Issue Before the Court

The issue before the Court is whether or not the CA erred in upholding the NLRC rulings dismissing Orlanes' monetary claims against respondents.

### The Court's Ruling

The petition is partly meritorious.

Under Section 1 (e) (8), Rule II, Part II<sup>32</sup> of the 2003 POEA Rules and Regulations, in relation to Section 10<sup>33</sup> of RA 8042,<sup>34</sup> otherwise known as the "Migrant Workers and Overseas Filipinos Act of 1995," as amended by RA 10022,<sup>35</sup> the local manning agency assumes "joint and solidary liability

Section 1. Requirements for Licensing. Every applicant for license to operate a manning agency shall submit a written application together with the following requirements:

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e. A verified undertaking stating that the applicant shall:

xxxx

8. Assume joint and solidary liability with the employer for all claims and liabilities which may arise in connection with the implementation of the employment contract, including but not limited to wages, death and disability compensation and their repatriation;

x x x x (Emphasis supplied

<sup>3</sup> Section 10 of RA 8042, as amended by RA 10022, pertinently reads:

SEC. 10. Money Claims. -- x x x x x x x

The liability of the principal/employer and the recruitment/placement agency for any and all claims under this section shall be joint and several. This provision shall be incorporated in the contract for overseas employment and shall be a condition precedent for its approval. The performance bond to de filed by the recruitment/placement agency, as provided by law, shall be answerable for all money claims or damages that may be awarded to the workers. If the recruitment/placement agency is a juridical being, the corporate officers and directors and partners as the case may be, shall themselves be jointly and solidarily liable with the corporation or partnership for the aforesaid claims and damages.

Such liabilities shall continue during the entire period or duration of the employment contract and shall not be affected by any substitution, amendment or modification made locally or in a foreign country of the said contract.

- x x x x (Emphases supplied)
- <sup>34</sup> Entitled "AN ACT TO INSTITUTE THE POLICIES OF OVERSEAS EMPLOYMENT AND ESTABLISH A HIGHER STANDARD OF PROTECTION AND PROMOTION OF THE WELFARE OF MIGRANT WORKERS, THEIR FAMILIES AND OVERSEAS FILIPINOS IN DISTRESS, AND FOR OTHER PURPOSES," approved on June 7, 1995.
- <sup>35</sup> Entitled "AN ACT AMENDING REPUBLIC ACT NO. 8042, OTHERWISE KNOWN AS THE MIGRANT WORKERS AND OVERSEAS FILIPINOS ACT OF 1995, AS AMENDED, FURTHER IMPROVING THE STANDARD OF PROTECTION AND PROMOTION OF THE WELFARE OF MIGRANT WORKERS, THEIR FAMILIES AND OVERSEAS FILIPINOS IN DISTRESS, AND FOR OTHER PURPOSES," approved on March 8. 2010.

<sup>&</sup>lt;sup>31</sup> *Rollo*, pp. 25-26.

<sup>&</sup>lt;sup>32</sup> Section 1 (e) (8), Rule II, Part II of the POEA Rules and Regulations Governing the Recruitment and Employment of Seafarers:

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with the employer for all claims and liabilities which may arise in connection with the implementation of the employment contract." This liability remains intact and extends up to and until the expiration of the employment contracts of the employees recruited and employed pursuant to the said agreement and covers any and all claims arising therefrom.

Section 10 of RA 8042 states that the solidary liability of the foreign principal and the recruitment agency to the employees "shall not be affected by any substitution, amendment or modification made locally or in a foreign country of the said contract." The rationale behind the rule was explicated in the case of Catan v. National Labor Relations Commission,<sup>36</sup> viz.:

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 coterminus 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 which the law governing the employment of workers for foreign jobs abroad was enacted.<sup>37</sup>

Thus, in *Powerhouse Staffbuilders International, Inc. v. Rey*,<sup>38</sup> the Court ruled that even if an Affidavit of Assumption of Responsibility was validly executed by the transferee agent assuming the full and complete responsibility over all contractual obligations of the principal to the seafarers originally recruited and processed by therein original manning agent, the latter's liability to its recruited workers remained intact because the said workers were not privy to such contract of transfer. Further, the Court pointed out that the original manning agent was the recruitment agency of the foreign principal that was stated in the seafarers' POEA-approved employment contracts, and hence, was contractually bound to fulfill its obligations to the seafarer.

Likewise, in *Skippers United Pacific, Inc. v. Maguad*<sup>39</sup> — which notably involved the same Skippers manning agency in this case — the Court held that while the Affidavits of Assumption of Responsibility executed between Skippers, as the original manning agency, and the two other succeeding manning agencies were valid, said affidavits are not enforceable against the seafarers because they are not parties thereto. As such, citing Section 1 of Rule II of the 2003 POEA Rules and Regulations, Skippers cannot exempt itself from all the seafarers' claims and liabilities arising from the implementation of the contract executed between them.

<sup>&</sup>lt;sup>36</sup> 243 Phil. 858 (1988).

<sup>&</sup>lt;sup>37</sup> Id. at 863.

<sup>&</sup>lt;sup>38</sup> 798 Phil. 8 (2016).

<sup>&</sup>lt;sup>39</sup> 530 Phil. 367 (2006).

Further, in view of the verified undertaking Skippers submitted to the POEA stating that it "shall assume joint and solidary liability with the employer for all claims and liabilities which may arise in connection with the implementation of the contract," it assured the aggrieved seafarers of immediate and sufficient payment of what is due them.

While the 2003 POEA Rules and Regulations allow the transfer of the registration and/or accreditation of the foreign principal to another local manning agency, which includes the transfer of the full and complete responsibility over all contractual obligations of the principal to the seafarers, the said transfer, however, covers only those contractual obligations to seafarers "*originally recruited and processed by the former agency*." This limitation is pursuant to the governing rule provided under Section 8, Rule I, Part III of the 2003 POEA Rules and Regulations on transfer of registration of principal and Section 7, Rule II, Part III of the same Rules on transfer of registration, which states:

# PART III

## PLACEMENT BY THE PRIVATE SECTOR

#### RULE I

## VERIFICATION OF DOCUMENTS AND REGISTRATION OF FOREIGN PRINCIPALS AND ENROLMENT OF VESSELS

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Section 8. Transfer of Registration of Principal and/or Enrolment of Vessel. The registration of a principal and/or enrolment of vessel may be transferred to another agency provided such transfer shall not involve diminution of wages and benefits of the seafarers hired through the previous agency; and provided further that the transferee agency shall assume full and complete responsibility over all contractual obligations of the principal to the seafarers originally recruited and processed by the former agency. Prior to the transfer of registration, the Administration shall notify the previous agency and principal of such application for transfer.

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#### RULE II

# ACCREDITATION OF PRINCIPALS AND ENROLMENT OF SHIPS BY MANNING AGENCIES

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Section 7. Transfer of Accreditation of Principal and/or Enrolment of Vessel. The accreditation of a principal and/or enrolment of vessel may be transferred to another agency provided such transfer shall not involve diminution of wages and benefits of the seafarers hired through the previous agency; and provided further that the transferee agency shall assume full and complete responsibility to all contractual obligations of the principals to its workers originally recruited and processed by the former agency. Prior to the transfer of accreditation, the Administration shall notify the previous agency and principal of such application for transfer." (Emphases supplied)

In this case, there is no dispute that Skippers was the original manning agent of Fairport which recruited Orlanes and processed his employment with the former. As the accredited local manning agency for Fairport, Skippers assumed joint and solidary liability with the latter under the contract of employment of Orlanes as mandated by law.

However, pending Orlanes' *first* complaint against Skippers and Fairport before the NLRC, Fairport transferred its accreditation/registration to Global on May 9, 2011 in accordance with Section 8, Rule I, and Section 7, Rule II, Part III of the 2003 POEA Rules and Regulations. By virtue of the Affidavit of Assumption of Responsibilities that was executed by the Operations Manager of Global, Global assumed full and complete responsibility and without qualification all contractual obligations to the seafarers originally recruited and processed by Skippers for the vessel M/V Orionis. For this reason, Orlanes was therefore correct in impleading Global as party respondent in the *first* complaint together with Skippers, the original manning agent, and Fairport, as foreign principal.

However, in this case, there was a second transfer, which resulted (albeit erroneously) into the filing of a second complaint. In particular, Fairport once again changed and transferred its registration/accreditation, as well as the manning of its vessels to Stella Marris on November 17, 2011. Accordingly, an Affidavit of Assumption of Responsibilities was executed by Stella Marris covering those contractual obligations of Fairport that were "originally processed and recruited by Global." Notably, the limitation to Stella Marris' assumption of liability is consistent with the 2003 POEA Rules and Regulations which, as earlier mentioned, pertains only to the liability of the substitute manning agent to those contracts originally recruited by the transferor. Hence, considering that it was Skippers who originally recruited and processed Orlanes' employment and not Global, Stella Marris did not assume liability for Orlanes' claims under his contract with Skippers. In Abosta Ship Management v. Hilario,40 the Court ruled that since it was the original manning agent which entered into the contract of employment with the worker for and in behalf of the foreign principal, it has the primary obligation to ensure the implementation of that contract in line with the policy of the state to protect and alleviate the plight of the working class,<sup>41</sup> as Skippers in this case.

At this juncture, it should be pointed out that both Skippers and Global<sup>42</sup> were not impleaded in the *second* complaint; hence, the Court

<sup>40 747</sup> Phil. 762 (2014).

<sup>&</sup>lt;sup>41</sup> Id. at 771.

<sup>&</sup>lt;sup>42</sup> Note that in a Resolution dated March 9, 2015, the CA ruled that Global was a party to the present case. However, the CA erred as mere participation in the first complaint before the LA should not be considered as participation in the present case. Records show that Global and Skippers were (a) not impleaded in the complaint; (b) not served summons; and, (c) not given an opportunity to be heard before the LA or the NLRC. Further, Global's participation in this case was limited to the filing of the Manifestation and Motion dated March 27, 2014 to the CA's Order to Comment on the Petition, its

cannot adjudge their respective liabilities to Orlanes in this case. While records show that Skippers and Global were impleaded in the *first* complaint, the same was unfortunately dismissed without prejudice by the LA. *Indeed, in light of the discussions above, the LA gravely erred in dismissing the* first *complaint where Skippers, Global, and Fairport were already impleaded due to their respective legal liabilities with respect to his claim.* Thus, considering the LA's mistake in dismissing the *first* complaint and so as not to cause Orlanes serious injustice absent any fault or wrongdoing, the Court deems it proper to remand the present case back to the LA in order to further implead both Skippers and Global as respondents together with Fairport, the original respondent.

To clarify, the foregoing course of action finds bearing in Section 11, Rule 3 of the Rules of Court,<sup>43</sup> which provides that parties may be added by order of the court on its own initiative at any stage of the action and on such terms as are just. In this relation, Section 3, Rule I of the 2011 NLRC Rules of Procedure, as amended, states that in the absence of any applicable provision in the Rules, the Rules of Court may, in the interest of expeditious dispensation of labor justice and whenever practicable and convenient, be applied in a suppletory character and effect.<sup>44</sup> Since the 2011 NLRC Rules of Procedure is silent on the misjoinder and non-joinder of parties, and under the Rules of Court, such is not a ground for dismissal of the complaint but rather acknowledges the power of the court to add a party upon motion or *on its own initiative at any stage of the action* and/or such times as are just, the inclusion of Skippers and Global as party respondents in the present case is only just and appropriate. Once Skippers and Global, together with Fairport, are properly impleaded, the LA is directed to resolve Orlanes' monetary claim in the second complaint with utmost dispatch on its merits.

WHEREFORE, the petition is **PARTLY GRANTED**. The Decision dated September 27, 2018 and the Resolution dated March 1, 2019 of the Court of Appeals in CA-G.R. SP No. 134259 are hereby **SET ASIDE**. The case is **REMANDED** to the Labor Arbiter who is consequently **DIRECTED** to implead Skippers United Pacific, Inc. and Global Gateway Crewing Services, Inc. as party respondents for a full redress of the *second* complaint and to resolve the same with utmost dispatch on the merits.

Comment dated March 15, 2015 to the petition, and its Memorandum dated September 8, 2015 before the CA.

SEC. It. Misjoinder and non-joinder of parties. – Neither misjoinder nor non-joinder of parties is ground for dismissal of an action. Parties may be dropped or added by order of the court on motion of any party or on its own initiative at any stage of the action and on such terms as are just. Any claim against a misjoined party may be severed and proceeded with separately.

<sup>&</sup>lt;sup>44</sup> Section 3, Rule I of the 2011 NLRC Rules of Procedure on Suppletory application of the Rules of Court provides:

SECTION 3. SUPPLETORY APPLICATION OF THE RULES OF COURT. – In the absence of any applicable provision in these Rules, and in order to effectuate the objectives of the Labor code, as amended, the pertinent provisions of the Rules of Court of the Philippines, as amended, may, in the interest of expeditious dispensation of labor justice and whenever practicable and convenient, be applied by analogy or in a suppletory character and effect.

SO ORDERED.

ESTELA M. PERLAS-BERNABE Senior Associate Justice

WE CONCUR:

AMY C JAVIER Associate Justice

RICAR **OSARIO** Associate Justice

JHOSE OPEZ

Associate Justice

ATTESTATION

l attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ESTELA M. PERLAS-BERNABE Senior Associate Justice Chairperson, Second Division

# **CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

GESMUNDO Justice