

# REPUBLIC OF THE PHILIPPINES SUPREME COURT Manila

## SECOND DIVISION

# NOTICE

# Sirs/Mesdames:

Please take notice that the Court, Second Division, issued a Resolution dated July 6, 2022 which reads as follows:

"G.R. No. 241458 (Global Skills Providers Multi-Purpose Cooperative v. The Court of Appeals, Hon. Silvestre H. Bello III, in his capacity as Secretary of the Department of Labor and Employment (DOLE), Ma. Zenaida A. Angara-Campita, in her capacity as Regional Director of DOLE-Regional Office No. IV-A, and TANGGULAN UGNAYAN DALUYANG LAKAS NG ANAKPAWIS SA TANDUAY DISTILLERS, INC. (TUDLA)). — This Court resolves a Petition for Certiorari and Prohibition with Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction. 1

This controversy revolves around an Order issued by Silvestre H. Bello III, Secretary of the Department of Labor and Employment (*DOLE*), against Global Skills Providers Multi-Purpose Cooperative (*GlobalPro*), directing it to cease and desist from engaging in the contracting and subcontracting of workers to companies. The Order was furnished to DOLE National Capital Region (*NCR*) with a recommendation to cancel the Certificate of Registration of GlobalPro.

The facts are undisputed.

On April 20, 2015, the Tanggulan Ugnayan Daluyang Lakas ng Anakpawis sa Tanduay Distillers, Inc. (*TUDLA*), a group of individuals claiming to be workers of Tanduay Distillers, Inc. (*Tanduay*), filed a *Sama Samang Sinumpaang Reklamong Salaysay Para Sa Complaint for Inspection*<sup>2</sup> with DOLE Regional Office No. IV-A (*DOLE IV-A*). They claimed that they were recruited by either *GlobalPro* or HD Manpower Services Cooperative (*HD Manpower*) and were deployed to various positions at Tanduay under illegal labor-only contracting. TUDLA claimed that Tanduay is its real employer.

Rollo (G.R. No. 241458), pp. 3-30.

ld. at 91-105.

On the basis of such complaint, the Labor Law Compliance Officers of DOLE IV-A conducted a compliance visit at the manufacturing plant of Tanduay in Cabuyao, Laguna. DOLE IV-A noted certain deficiencies such as: noncompliance with Department Order (*DO*) No. 18-A, as amended, or the Rules Implementing Articles 106 to 109 of the Labor Code, series of 2011<sup>3</sup> regarding supervision, control, and work assignments; nonpayment of five days service incentive leave; unauthorized deduction of medicines pursuant to Labor Advisory No. 11, series of 2014; and non-provision of a trained first aider.<sup>4</sup>

On June 22, 2015, the DOLE-IV-A Regional Director issued an Order<sup>5</sup> (the June 2015 Order) with the following dispositive portion:

WHEREFORE, treating the findings of the Labor Laws Compliance Officers as final and conclusive, an Order is hereby issued directing Tanduay Distillery, Inc. to regularize the above-mentioned Global Pro and HD workers as its own REGULAR EMPLOYEES in accordance with the principles contemplated in Article 294 of the Labor Code of the Philippines, as amended, and the rules laid down in Department Order 18-A, Series of 2011.

**FURTHER**, respondents are hereby ordered to observe compliance with the provisions of Department Order No. 18-A, particularly, on the labor services being farmed out or outsourced by the principal.

LAST, Respondent TDI is ordered to pay Respondent's GLOBAL PRO and HN [₱]7,488,968.90 and [₱]1,843,688.00 respectively, for underpayment of the ten percent standard administrative fee prescribed by DO 18-A pursuant to the foregoing BASIS OF COMPUTATION contained herein.

#### SO ORDERED.6

On August 20, 2015, the DOLE Secretary issued an Order<sup>7</sup> (the August 2015 Order) resolving the Appeal and Motion to Dismiss separately filed by Tanduay, the Motion for Reconsideration filed by GlobalPro, and the Motion for Reconsideration filed by HD Manpower. The dispositive portion stated:

WHEREFORE, premises considered, except for the DELETION of the directive to pay Global Pro and HN Manpower the amount of [P]7,488,968.90 and [P]1,843,688.00, respectively, for underpayment of the ten percent (10%) standard administrative fees prescribed by Department Order No. 18-A, Series of 2011, the Appeal filed by Tanduay Distillery, Inc. and Motions for Reconsideration separately filed by Global Skills Providers

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Dated November 14, 2011.

<sup>4</sup> la

Penned by Regional Director Ma. Zenaida A. Angara-Campita; id. at 146-165.

<sup>6</sup> Id. at 164-165.

Penned by Undersecretary Rebecca C. Chato by authority of the Secretary, Reference Number RO4A-LPO-CV-0017-0381; RO4A-LPO-JA-0415-0017-0383; *id.* at 180-190.

Multipurpose Cooperative and HD Manpower Service Cooperative are **DISMISSED** for lack of merit and the 22 June 2015 Order of DOLE-RD IV-A is **AFFIRMED** with the above stated **MODIFICATION**.

## SO RESOLVED.8

In a Resolution<sup>9</sup> dated November 23, 2015 (the November 2015 Resolution), the DOLE Secretary denied the Motions for Reconsideration filed separately by GlobalPro, Tanduay, and HD Manpower.

On February 22, 2016, the Regional Director of DOLE IV-A issued a Writ of Execution, <sup>10</sup> implementing the June 2015 Order. The Writ directed the Sheriff as follows:

NOW THEREFORE, pursuant to Department Order No. 131-13, Series of 2013 issued by the Secretary of Labor and Employment on 19 July 2013 and the Rules of Court, you are hereby directed to proceed to the premises of **TANDUAY DISTILLERS, INC.** with business address at Km 43, Brgy. Sala, Cabuyao, Laguna and require respondent through its duly authorized representative to cause the issuance of appointment as regular employees of the following:

x x x x

Return this Writ of Execution together with the statement in writing of the proceedings that you have conducted sixty (60) days upon receipt hereof.

SO ORDERED.11

On April 28, 2016, the DOLE IV-A Regional Director issued an Alias Writ of Execution, <sup>12</sup> reiterating its directive that the Sheriff require Tanduay to include the enumerated workers in the payroll of regular employees and to prove payment of their entitlements to wage and wage-related benefits similar to the regular employees of Tanduay from the time of their engagement, applying double indemnity pursuant to Republic Act No. 8188, if necessary. <sup>13</sup>

Nevertheless, GlobalPro applied for the renewal of its registration, which the DOLE granted on April 21, 2016 by issuing a Certificate of Registration<sup>14</sup> in its favor, valid until April 20, 2019.

<sup>8</sup> Id. at 190.

Penned by Rebecca C. Chato by authority of the Secretary, Reference Number OS-LS-0447-0806-2015; id. at 203-206.

<sup>10</sup> Id. at 207-212.

<sup>11</sup> Id. at 209-212.

<sup>12</sup> Id. at 213-218.

<sup>13</sup> *Id.* 

<sup>14</sup> Id. at 79.

On June 10, 2016, the Regional Director issued the controversial Cease and Desist Order<sup>15</sup> (*CDO*) in relation to the June 2015 Order and the succeeding Resolutions by the DOLE that affirmed it. It stated:

WHEREFORE, GLOBAL SKILLS PROVIDERS (GLOBALPRO) MULTIPURPOSE COOPERATIVE and its officers/members and representatives are directed to CEASE and DESIST from engaging in contracting and subcontracting activities and from recruiting and supplying/deploying workers to companies effective immediately.

Let a copy of this Order be furnished to DOLE-NCR with recommendation to cancel the Certificate of Registration of GlobalPro and to all other Regional Offices of DOLE without prejudice to the filing of other appropriate criminal charges against its responsible officers and employees.

# SO ORDERED.16

GlobalPro appealed the CDO to the DOLE Secretary, but the latter dismissed the appeal in a Resolution<sup>17</sup> dated December 28, 2016.

GlobalPro filed a Motion for Reconsideration, which was denied in the DOLE Secretary's Resolution dated March 7, 2017.<sup>18</sup>

Aggrieved, GlobalPro filed before the CA a Petition for *Certiorari* (With Extremely Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction)<sup>19</sup> docketed as CA-G.R. SP No. 150000, assailing the DOLE Secretary's Resolutions dated December 28, 2016 and March 7, 2017.

On December 28, 2017, the CA issued a Resolution,<sup>20</sup> finding that GlobalPro failed to establish its entitlement to the reliefs it prayed for. It reasoned that GlobalPro anchored its claim for injunctive relief to its allegation that it is a legitimate job contractor.

The CA denied the subsequent motion for reconsideration in a Resolution<sup>21</sup> dated July 11, 2018 stating that the motion contained a mere rehash of issues and arguments already fully considered.

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<sup>15</sup> Id. at 269-270.

<sup>16</sup> Id. at 270.

<sup>17</sup> *Id.* at 303-307.

<sup>18</sup> *Id.* at 14.

<sup>&</sup>lt;sup>19</sup> *Id.* at 327-354

Penned by Associate Justice Jose C. Reyes, Jr., with Associate Justices Elihu A. Ybañez and Pedro B. Corales, concurring; *id.* at 34-37.

<sup>21</sup> *Id.* at 38-39

Before the CA had issued its Decision on the main case, GlobalPro filed the instant Petition for *Certiorari* and Prohibition with Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction<sup>22</sup> with this Court on September 10, 2018, docketed as G.R. No. 241458, against the CA resolutions.

GlobalPro asserted that while the disposition on the main case before the CA remains pending, it continues to suffer grave and irreparable injury. It prayed for the issuance of a temporary restraining order (*TRO*) and/or Writ of Preliminary Injunction (*WPI*) preventing the public respondents from implementing (a) the Resolutions dated December 28, 2017 and July 11, 2018 of the CA in CA-GR. SP No. 150000, (b) the Resolutions dated December 28, 2016 and March 7, 2017 of the DOLE Secretary, and (c) the CDO dated June 10, 2016 by the DOLE IV-A Regional Director, which TRO and/or WPI shall remain valid and effective until such time as the rights of the parties in CA-G.R. SP No. 15000 shall have been determined and finally resolved.<sup>23</sup>

On November 26, 2018, private respondent TUDLA submitted its Comment,<sup>24</sup> stating that the Regional Director's issuance of CDO was proper. Considering that GlobalPro was found not to be a legitimate job contractor, TUDLA opined that it cannot do business even outside the Regional Director's area of jurisdiction.<sup>25</sup>

On December 6, 2018, GlobalPro filed its Reply<sup>26</sup> to TUDLA, asserting that GlobalPro had a clear and unmistakable right to pursue its livelihood nationwide and that it had the right not to be deprived of such right without due process.<sup>27</sup>

On January 29, 2019, the CA rendered its Decision<sup>28</sup> on the main case, finding the Petition for *Certiorari* before it to be partly impressed with merit. Its discussion stated that:

While respondent Secretary is correct in upholding the validity of the CDO, the Court finds that he should have limited its application only to the present dispute between petitioner and its workers deployed at TDI. To the extent that respondent Secretary extended the CDO's coverage beyond TDI, he failed to observe petitioner's right to administrative due process and acted with grave abuse of discretion. To prohibit petitioner from deploying its workers to principals and clients whose premises have not been subjected to a similar assessment violates due process.

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<sup>&</sup>lt;sup>22</sup> *Id.* at 3-30.

<sup>23</sup> *Id.* at 28-29.

<sup>&</sup>lt;sup>24</sup> *Id.* at 576-579.

<sup>&</sup>lt;sup>25</sup> *Id.* at 578.

<sup>26</sup> Id. at 570-573.

<sup>27</sup> *Id.* at 571.

Penned by Associate Justice Gabriel T. Robeniol, with Associate Justices Ramon R. Garcia and Eduardo B. Peralta, Jr. (Retired member of this Court); *id.* at 601-610.

What, therefore, amounted to grave abuse of discretion is the DOLE Secretary's expansion of the scope of the subject CDO nationwide without affording petitioner an opportunity to contest such expanded coverage. The issuance of the writ of certiorari prayed before this petition is perforce, justified but only to confine the application and effectivity of the subject CDO to the parties involved in OS-LS-0447-0806-2015-A.

WHEREFORE, the Petition is PARTLY GRANTED. The challenged Resolutions dated December 28, 2016 and March 7, 2017 of the Secretary of Labor are AFFIRMED with the modification that the Cease and Desist Order shall be limited in application to OS-LS-0447-0806-2015-A only.

### SO ORDERED.29

On July 31, 2019, GlobalPro filed a Manifestation and Motion, <sup>30</sup> asking that the Court take into consideration the newly issued Certificate of Registration in its favor, dated April 12, 2019 and valid until April 11, 2021. It repleaded that this Court issue a TRO enjoining the (a) Resolutions dated December 28, 2017, and July 11, 2018 of the CA in CA-G.R. SP No. 150000, (b) the Resolutions dated December 28, 2016 and March 7, 2017 of the DOLE Secretary, and (c) the Order dated June 10, 2016 or the CDO of the DOLE Regional Director, which TRO shall remain effective until such time as the rights of the parties in CA-G.R. SP No. 150000 shall have been determined and finally resolved.<sup>31</sup>

It is recommended that the parties move in the premises.

At the time the instant petition for *certiorari* against the CA Resolutions was filed, the CA had not yet issued its Decision on the main case that sought to determine whether the DOLE Secretary committed grave abuse of discretion in refusing to issue a TRO against the CDO that emanated from the Regional Director of DOLE IV-A.

Hence, excluding the CA Decision from the scope of the instant Petition, the only issue for this Court to resolve is whether the CA committed grave abuse of discretion in denying GlobalPro's prayer for a TRO or WPI against the enforcement of the CDO.

In a turn of events, however, the CA's Decision on the main case partly granted GlobalPro's Petition. By citing OS-LS-0447-0806-2015-A, the dispositive portion of the CA Decision made reference to the August 2015 Resolution, which reiterated Tanduay's regularization of the GlobalPro workers enumerated in the June 2015 Resolution. It bears emphasizing that

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<sup>29</sup> Id. at 609-610.

Id. at 594-598.

Id. at 596-597.

the June 2015 and August 2015 Resolutions make no mention of a cancellation of GlobalPro's Certificate of Registration.

The instant petition, which seeks to enjoin the CDO against GlobalPro, now appears to be incompatible with the CA Decision, which explicitly removed the directive for the cancellation of GlobalPro's certificate of registration.

However, this Court is not aware as to the status of the main decision rendered by the CA.

Remarkably, GlobalPro filed a Manifestation and Motion<sup>32</sup> dated July 31, 2019 that attached the CA Decision on the main case, yet continued to replead, as its prayer, that this Court issue a TRO against the CDO, the resolutions by the Secretary of DOLE affirming the CDO, and the CA Resolutions denying the issuance of a TRO against CDO.

Jurisprudence provides that a temporary restraining order is issued to preserve the status *quo* until the hearing for preliminary injunction can be conducted.<sup>33</sup>

The Manifestation and Motion by GlobalPro, however, reveals that the DOLE had renewed its registration with the issuance of Certificate of Registration No. NCR-QCFO-78201-041219-071, valid until April 11, 2021. They state that this Certificate was based on the previous Certificate of Registration No. NCR-QCFO-7493-0912-101 dated September 26, 2012 (valid until September 25, 2015) and Certificate of Registration No. NCR-QCFO-7493-0912-101-LR dated April 21, 2016 (valid until April 20, 2019).<sup>34</sup>

Stated otherwise, it appears from the records and submissions that GlobalPro's Certificate of Registration to operate as a labor contractor was not cancelled even after the issuance of the CDO.

FOR THIS REASON, we find it necessary for the parties to move in the premises and inform this Court WITHIN TEN (10) DAYS of any and all developments pertinent to the case that may help its immediate disposition.<sup>35</sup>

## SO ORDERED."

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<sup>32</sup> *Id.* at 594-598.

<sup>33</sup> Bicol Medical Center v. Botor, 819 Phil. 447, 465 (2017).

<sup>&</sup>lt;sup>34</sup> *Rollo*, p. 596.

<sup>&</sup>lt;sup>35</sup> Oliveras v. Lopez, 250 Phil. 430, 437 (1988).

By authority of the Court:

TERESITA AQUINO TUAZON
Division Clerk of Court

2 4 MAR 2023

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