

## **FIRST DIVISION**

**[ G.R. No. 134028, December 17, 1999 ]**

### **EMPLOYEES' COMPENSATION COMMISSION (SOCIAL SECURITY SYSTEM), PETITIONER, VS. EDMUND SANICO, RESPONDENT.**

#### **D E C I S I O N**

##### **KAPUNAN, J.:**

Through this petition for review, the Employees' Compensation Commission seeks to set aside the decision of the Court of Appeals (CA) in CA G.R. SP No. 47804, dated 28 May 1998, reversing petitioner's decision, dated 20 March 1997, in ECC Case No. 8342 and granting Edmund Sanico's (private respondent's) claim for compensation benefits under Presidential Decree No. 626, as amended (Book IV, Title II of the Labor Code).

Private respondent was a former employee of John Gotamco and Sons. He worked in said company as "wood filer" from 1986 until he was separated from employment on 31 December 1991 due to his illness. His medical evaluation report, dated 31 September 1991, showed that he was suffering from pulmonary tuberculosis (PTB). Subsequent chest x-rays taken on 9 October 1994 and 3 May 1995 diagnostically confirmed his illness.

On 9 November 1994, private respondent filed with the Social Security System (SSS) a claim for compensation benefits under P.D. No. 626, as amended. On 23 April 1996, the SSS denied private respondent's claim on the ground of prescription. The SSS ruled that under Article 201 of the Labor Code, a claim for compensation shall be given due course only when the same is filed with the System three (3) years for the time the cause of action accrued. In private respondent's case, the SSS reckoned the three-year prescriptive period on 21 September 1991 when his PTB first became manifest. When he filed his claim on 9 November 1994, the claim had allegedly already prescribed.

On appeal, petitioner affirmed the decision of the SSS. Private respondent then elevated the case to the CA, which reversed petitioner's decision and granted private respondent's claim for compensation benefits. In ruling that private respondent's claim was filed well within the prescriptive period under the law, the CA reconciled Article 201 of the Labor Code with Article 1144(2) of the Civil Code. Under the latter provision of law, an action upon an obligation created by law must be filed within ten (10) years from the time the cause of action accrues. Thus, while private respondent's illness became manifest in September 1991, the filing of his compensation claim on 9 November 1994 was within, even long before, the prescriptive period.

The sole issue to be resolved in this case is whether or not private respondent's claim for compensation benefit had already prescribed when he filed his claim on 9