FIRST DIVISION

[G.R. No. 229372, August 27, 2020]

MARYVILLE MANILA, INC., PETITIONER, VS. LLOYD C. ESPINOSA, RESPONDENT.

D E C I S I O N

LOPEZ, J.:

The reasonable link between the seafarer's illnesses and nature of work is the main issue in this Petition for Review on *Certiorari* under Rule 45 assailing the Court of Appeal's (CA) Decision[1] dated September 1, 2016 in CA-G.R. SP No. 138222, which reversed and set aside the findings of the National Labor Relations Commission (NLRC).

ANTECEDENTS

On September 12, 2010, Maryville Manila, Inc. (Maryville Manila), a local manning agency acting for and in behalf of its principal Maryville Maritime, Inc. (Maryville Maritime), deployed Lloyd Espinosa (Lloyd) as a seafarer on board the vessel M/V Renuar. On December 11, 2010 to April 23, 2011, the Somali pirates held hostage the vessel and its entire crew. On May 5, 2011, Lloyd was repatriated.[2] On January, 10, 2012, Maryville Manila re-hired Lloyd to work on board M/V Iron Manolis for a period of nine months. However, Lloyd was repatriated after seven months or on August 29, 2012.[3]

On July 15, 2013, Lloyd filed a complaint for total and permanent disability benefits against Maryville Manila and Maryville Maritime before the labor arbiter (LA). Lloyd alleged that he was repatriated after suffering flashbacks of the hostage incident and experiencing mental breakdown. Yet, Maryville Manila refused to give him medical assistance when he arrived in the Philippines. He then sought on February 12, 2013 the advice of a clinical psychologist who diagnosed him with *"Occupational Stress Disorder (Work-related); Hypomanic Mood Disorder, to consider; Bipolar Condition; R/O Schizophrenic Episode; and [Post-traumatic] Stress Disorder."*[4] This work-related and work-aggravated condition rendered him permanently incapacitated to work as a seafarer.[5] On the other hand, Maryville Manila and Maryville Maritime claimed that Lloyd voluntarily disembarked from the vessel without any medical incident or accident. Moreover, Lloyd did not immediately report to the company-designated physician after his repatriation. It was only in July 2013 that Lloyd visited Maryville Manila asking for another contract of employment.[6]

On February 28, 2014, the LA granted Lloyd's claim for total and permanent disability benefits. It explained that Maryville Manila and Maryville Maritime failed to prove that Lloyd voluntarily requested his repatriation. Likewise, Lloyd's failure to immediately report to the company-designated physician will not prevent him from

claiming disability compensation. The reportorial requirement is only a condition *sine qua non* for entitlement to sickness allowance,[7] thus:

> At the outset, while it may be conceded that the instant complaint was only filed several months after the complainant's repatriation and that there was no record at all that shows that complainant was repatriated due to his present illness, this Office, however, cannot help but consider the glaring fact that complainant, for one reason or another, had failed to finish his last contract with respondent, x x x [T]his Office finds the respondents' allegation that it was complainant who requested for his early repatriation bereft of any evidentiary support. As correctly pointed out by the complainant, respondents could have easily presented pertinent evidence, [i.e.] master's report, to prove such an allegation. This notwithstanding, respondents, for no apparent valid reason, lifted no finger to do so, thus, renders their stance, highly suspect, x x x
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> x x x x
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> In addition, **anent the respondents' contention that complainant failed to report within three days after his repatriation, be that as it may, this, albeit assailed by complainant,** does not detract from the complainant's entitlement to full disability compensation. It should be stressed that compliance with the provision of the POEA Contract on the reportorial requirement is a condition [sine qua non] only for claiming sickness allowance and not for a total permanent disability benefits, x x x
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> Thus, **granting that complainant had failed to report within three days, albeit he insisted that he indeed reported but respondents refused to accommodate him,** complainant had merely waived, in effect, his right to sickness allowance and never his complaint for total and permanent disability.
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> **WHEREFORE,** premises considered, judgment is hereby rendered declaring the complainant entitled to total and permanent disability benefits in the amount of **USD 60,000.00** under the POEA Contract, [sic] and attorney's fee equivalent to ten percent of the said amount.
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> However, all other claims, including the claim for moral and exemplary damages are denied for lack of factual basis.
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> **SO ORDERED**.[8] (Emphases supplied.)

Dissatisfied, both parties appealed to the NLRC. Maryville Manila and Maryville Maritime maintained that Lloyd is not entitled to any disability benefit. In contrast, Lloyd argued that the LA should grant him double compensation benefit due to disability in high risk areas.[9] On August 29, 2014, the NLRC reversed the LA's findings and dismissed Lloyd's complaint. It ratiocinated that Lloyd failed to establish that he was repatriated for medical reasons. Also, it held that the reportorial requirement applies to claims for disability compensation. Lastly, there was no reason to relax the requirement absent evidence that Lloyd was incapacitated to

submit himself to post-employment medical examination before the company-designated physician or that he had submitted a written notice to that effect,[10] viz.:

> **WHEREFORE,** premises considered, respondents' appeal is **GRANTED** and the Labor Arbiter's Decision dated February 28, 2014 is **VACATED AND SET ASIDE.** A new one is hereby entered **DISMISSING** complainant-appellant's complaint for total and permanent disability benefits. Accordingly, his partial appeal is **DENIED** for lack of merit
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> **SO ORDERED.**[11]

Unsuccessful at a reconsideration,[12] Lloyd elevated the case to the CA through a petition for *certiorari* docketed as CA-G.R. SP No. 138222. On September 1, 2016, the CA set aside the NLRC's Decision and reinstated the LA's award of total and permanent disability benefits. The CA cited *Baron, et al. v. EPE Transport, Inc., et al.*[13] and *Barros v. NLRC*[14] and ruled that the burden rests upon Maryville Manila and Maryville Maritime to prove that Lloyd was not medically repatriated. It also cited *Career Philippines Shipmanagement, Inc., et al. v. Serna*[15] and held that Lloyd sought medical examination but was refused, thus:

> There is no dispute that the Petitioner was repatriated before the end of his contract with the Private Respondent. The parties, however, cannot agree on the reason for such repatriation. **As there is no showing of a clear, valid, and legal cause for the Petitioner's repatriation, the issue will, therefore, be resolved in like manner as claims for illegal dismissal, which means that the burden is on the employer to prove that the termination was for a valid or authorized cause.**
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> x x x x
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> As for the post-employment medical examination requirement, both the Petitioner and the Private Respondents failed to present supporting evidence of their contrasting claims. On the part of the Petitioner, he failed to show proof that he was refused medical examination while, on the part of the Private Respondents, the latter failed to present proof that the Petitioner made such a request. Pertinent on this score is the Supreme Court's pronouncement in *Career Philippines Shipmanagemeni, Inc., et al. v. Serna, viz.:*
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> > xxx While Serna's verified claim with respect to his July 14, 1999 visit to the petitioner's office may be seen by some as a bare allegation, we note that the petitioners' corresponding denial is itself also a bare allegation that, worse, is unsupported by other evidence on record. [In contrast, the events that transpired after the July 14, 1999 visit, as extensively discussed by the CA above, effectively served to corroborate Serna's claim on the visit's purpose, i.e., to seek medical assistance.] Under these circumstances, we find no grave abuse of discretion on the part of the NLRC when it affirmed the labor arbiter ruling and gave credence to Serna on this point. Under the evidentiary rules, a positive assertion

is generally entitled to more weight than a plain denial.

> **We note on this point that the obligation imposed by the mandatory reporting requirement under Section 20 (B) (3) of the 1996 POEA-SEC is not solely on the seafarer. It requires the employer to likewise act on the report, and in this sense partakes of the nature of a reciprocal obligation.** Reciprocal obligations are those which arise from the same cause, and where each party is effectively a debtor and a creditor of the other, such that the obligation of one is dependent upon the obligation of the other. **While the mandatory reporting requirement obliges the seafarer to be present for the post-employment medical examination, which must be conducted within three (3) working days upon the seafarer's return, it also poses the employer the implied obligation to conduct a meaningful and timely examination of the seafarer.**

Using the foregoing as baseline, it could thus be concluded that, *first*, **as between the Petitioner and the Private Respondents' contrasting claims, the Petitioner's positive assertion that he sought, but was refused, medical examination is entitled to more weight than the Private Respondents' bare denial** and, *second*, **the lack of a post-medical examination in this case cannot be used to defeat respondent's [Petitioner, in this case] claim since the failure to subject the seafarer to this requirement was not due to the seafarer's fault but to the inadvertence or deliberate refusal of petitioners [Private Respondents, in this case].** Needless to stress, the time-honored rule that, in controversies between a laborer and his employer, doubts reasonably arising from the evidence should be resolved in the former's favor in consonance with the avowed policy of the State to give maximum aid and protection to labor finds application at bench.

x x x x

WHEREFORE, the petition is **GRANTED.** The assailed dispositions are **REVERSED** and **SET ASIDE.** Accordingly, the Decision of the Labor Arbiter is **REINSTATED.** No costs.

SO ORDERED.[16] (Emphases supplied.)

Maryville Manila moved for a reconsideration but was denied.[17] Hence, this recourse. Maryville Manila argued that the CA erred in evaluating the parties' evidence in *certiorari* proceedings and insisted that Lloyd was neither repatriated for medical reason nor refused medical treatment.[18]

RULING

The petition is meritorious.

Foremost, we cannot fault the CA in reviewing the parties' evidence in *certiorari*

proceedings. In labor cases, the CA is empowered to evaluate the materiality and significance of the evidence alleged to have been capriciously, whimsically, or arbitrarily disregarded by the NLRC in relation to all other evidence on record. The CA can grant the prerogative writ of *certiorari* when the factual findings complained of are not supported by the evidence on record; when it is necessary to prevent a substantial wrong or to do substantial justice; when the findings of the NLRC contradict those of the LA; and when necessary to arrive at a just decision of the case.[19] To make this finding, the CA necessarily has to view the evidence to determine if the NLRC ruling had substantial basis.[20] Contrary to Maryville Manila's contention, the CA can examine the evidence of the parties since the factual findings of the NLRC and the LA are contradicting. Indeed, this Court has the same authority to sift through the factual findings of both the CA and the NLRC in the event of their conflict.[21] This Court is not precluded from reviewing the factual issues when there are conflicting findings by the CA, the NLRC and the LA.[22]

Here, we find that the CA erroneously concluded that Lloyd was medically repatriated and that Maryville Manila and Maryville Maritime have the burden to establish otherwise. The CA misread the rulings in *Baron* and *Barros* which involved cases for illegal dismissal. In *Baron*, the petitioners, who are taxi drivers, asserted that they were unceremoniously dismissed after they charged respondents of violating the collective bargaining agreement. The respondents did not refute such absence from work but averred that it was petitioners who abandoned their jobs. However, the theory of abandonment was unsubstantiated. In that case, we ruled that the Labor Code places upon the employer the burden of proving that the dismissal of an employee was for a valid or authorized cause. It does not distinguish whether the employer admits or does not admit the dismissal.[23] In *Barros*, the petitioner, a seafarer, claims illegal dismissal, recovery of salaries corresponding to the unexpired portion of his employment contract, repatriation expenses, unauthorized deductions and payments, damages and attorney's fees. In that case, we denied the private respondents' argument that the petitioner voluntarily terminated his employment on the claim that he himself requested repatriation. The private respondents did not dispute that petitioner was repatriated prior to the expiration of his employment contract. As such, it is incumbent upon the employer to prove that the petitioner was not dismissed, or if dismissed, that the dismissal was not illegal; otherwise, the dismissal would be unjustified.

Notably, Lloyd's cause of action is for total and permanent disability benefits and not illegal dismissal or pre-termination of his overseas employment contract. The fact that the petitioner in *Barros* is a seafarer like Lloyd and that voluntary repatriation was put in issue are immaterial. The rule on burden of proof in illegal dismissal cases cannot be unduly applied in proving whether a seafarer was repatriated for medical reasons. At any rate, Lloyd's claim that he was medically repatriated is an affirmative allegation and the burden of proof rests upon the party who asserts and not upon he who denies it. The nature of things is that one who denies a fact cannot produce any proof of it.[24] Admittedly, Lloyd failed to discharge this burden and did not present substantial evidence as to the cause of his repatriation.

Likewise, we observed that the CA heavily relied in *Career Philippines Shipmanagement, Inc.,* in ruling that Lloyd was refused medical treatment. In that case, the CA, the NLRC and the LA speak as one in their findings that the seafarer reported to the company-designated physician within three working days from