

FIRST DIVISION

[G.R. No. 190534, February 10, 2016]

**C.F. SHARP CREW MANAGEMENT, INC., RONALD AUSTRIA, AND
ABU DHABI NATIONAL TANKER CO., PETITIONERS, VS. LEGAL
HEIRS OF THE LATE GODOFREDO REPISO, REPRESENTED BY HIS
WIFE LUZVIMINDA REPISO, RESPONDENTS.**

D E C I S I O N

LEONARDO-DE CASTRO, J.:

Assailed in this Petition for Review on *Certiorari* filed by petitioners C.F. Sharp Crew Management, Inc. (C.F. Sharp), Ronald Austria (Austria), and Abu Dhabi National Tanker Company (ADNATCO) are: (1) the Decision^[1] dated September 9, 2009 of the Court of Appeals in CA-G.R. SP No. 98857, which reversed and set aside the Decision^[2] dated August 24, 2006 and Resolution^[3] dated February 27, 2007 of the National Labor Relations Commission (NLRC) in NLRC OFW CN 04-04-00916-00 and reinstated the Decision^[4] dated September 23, 2005 of the Labor Arbiter in NLRC-NCR Case No. (M)04-04-00916-00; and (2) the Resolution^[5] dated December 9, 2009 of the appellate court in the same case which denied the Motion for Reconsideration of petitioners.

On April 24, 2002, Godofredo Repiso (Godofredo) was hired as a Messman on board M/T *Umm Al Lulu* by petitioner C.F. Sharp, a local manning agency, on behalf of its principal, petitioner ADNATCO, a marine transportation company based in the United Arab Emirates. Godofredo and petitioner Austria, as representative of petitioners C.F. Sharp and ADNATCO, signed a Contract of Employment,^[6] which was approved by the Philippine Overseas Employment Administration (POEA) on May 9, 2002.

Prior to embarkation, Godofredo underwent a pre-employment medical examination (PEME) and was declared physically fit to work. Godofredo boarded M/T *Umm Al Lulu* on May 20, 2002. Godofredo was repatriated in Manila on March 16, 2003. The next day, March 17, 2003, Godofredo went to a medical clinic in Kawit, Cavite where he was examined by Doctor Cayetano G. Reyes, Jr. (Dr. Reyes). Dr. Reyes diagnosed Godofredo with "Essential Hypertension" and advised Godofredo to take the prescribed medication and rest for a week.^[7]

At about 10:00 in the morning on March 19, 2003, Godofredo was waiting for a ride when he suddenly lost consciousness and fell to the ground. Good Samaritans brought Godofredo to Del Pilar Hospital where he was pronounced dead on arrival.^[8] Based on Godofredo's Certificate of Death,^[9] the causes for his death were as follows:

Immediate : Irreversible Shock

cause
Antecedent : Acute Myocardial Infarction
cause
Underlying : Hypertensive Heart Disease
cause

Godofredo died leaving behind respondents as his legal heirs, namely, his wife, Luzviminda,^[10] and three children, Marie Grace (20 years old), Gerald (17 years old), and Gretchen (13 years old).^[11]

On September 17, 2003, respondent Luzviminda, through her lawyer, sent a letter^[12] notifying petitioner C.F. Sharp of Godofredo's death and demanding the payment of the following amounts:

Death	---	US\$ 60,000.00
compensation		
Children	---	US\$ 45,000.00
Allowance		
(3 minors x		
\$15,000.00)		
Burial	---	<u>US\$ 1,000.00</u>
Allowance		
TOTAL	---	US\$106,000.00

Respondent Luzviminda sent another letter^[13] dated February 3, 2004 to petitioner C.F. Sharp conveying her willingness to accept the amount of US\$65,000.00 as compromise settlement. However, respondent Luzviminda's demand remained unheeded.

Thus, respondents filed with the NLRC a Complaint against petitioners for recovery of death compensation benefits, burial and children's allowances, moral and exemplary damages, and attorney's fees. The Complaint was docketed as NLRC-NCR Case No. (M)04-04-00916-00.

The parties exchanged Position Papers and other pleadings.

Respondents' Arguments

Respondents alleged that during the last weeks of Godofredo's 10-month contract as Messman on board M/T *Umm Al Lulu*, he was already experiencing continuous headaches and body pains, more pronounced in the nape area. From that moment, Godofredo became entitled to disability benefits from petitioners. Godofredo was repatriated in Manila on March 16, 2003 for medical reasons. When Godofredo died on March 19, 2003 due to his illness, his right to disability benefits was converted to the right to death benefits.

Respondents also posited that although Godofredo's Contract of Employment was executed on April 24, 2002, it was governed by the 1996 POEA-Standard Employment Contract (SEC)^[14] rather than the 2000 POEA-SEC^[15] because the

implementation of the latter was enjoined by a temporary restraining order (TRO) issued by the Court.^[16] To be compensable under the 1996 POEA-SEC, it was not necessary to prove that the illness or death was work-related, it being sufficient that the same occurred during the term of the seafarer's employment. According to respondents, the following facts established that Godofredo died of an illness which he acquired on board M/T *Umm Al Lulu* and, thus, entitled respondents to recover death benefits: (1) Godofredo was declared fit to work by petitioners' designated physician prior to embarkation; (2) Godofredo served on board M/T *Umm Al Lulu* until his repatriation; and (3) Godofredo died within 72 hours upon arrival in the Philippines.

Respondents additionally averred that petitioners were estopped from alleging that Godofredo was already sick prior to his embarkation on M/T *Umm Al Lulu*. Petitioners had all the opportunity to determine Godofredo's medical and mental fitness during the PEME, but at the end of such examination, petitioners found Godofredo fit to work. Moreover, the 1996 POEA-SEC did not contain any provision on a seafarer's concealment of a pre-existing illness, such provision was only introduced by the 2000 POEA-SEC.

Respondents further reasoned that there was no need for Godofredo to submit himself to a mandatory post-employment medical examination within 72 hours from his arrival in Manila as said requirement only applied to claims for sickness allowance. Besides, Godofredo could already be deemed exempt from complying with said requirement on the ground of physical impossibility as even before the expiration of the 72-hour period for compliance, he lost consciousness and was declared dead on arrival at the hospital.

Lastly, respondents invoked Article 4^[17] of the Labor Code of the Philippines, Article 1702^[18] of the Civil Code of the Philippines, and *Nicario v. National Labor Relations Commission*,^[19] and asserted that doubts in the interpretation of labor laws and regulations, as well as doubts reasonably arising from conflicting evidence of the parties, should be resolved in favor of labor.

Accordingly, respondents prayed for death benefits in the amount of US\$60,000.00; burial allowance in the amount of US\$1,000.00; allowances for their three children below the age of 21 in the total amount of US\$21,000.00;^[20] and moral and exemplary damages. Also, respondents prayed for the award of attorney's fees, alleging that petitioners, in gross and evident bad faith, refused to satisfy their just and demandable claim, and forced them to litigate to protect their interests.

Petitioners' Arguments

Petitioners countered that Godofredo never complained of any illness to the master or any officer of M/T *Umm Al Lulu* while on board said vessel, and that Godofredo was able to perform his functions as a Messman throughout the duration of his employment. Petitioners only came to know about Godofredo's illness when after more than six months from his repatriation, petitioners received a letter from respondent Luzviminda's counsel demanding compensation and allowance benefits on account of Godofredo's death in the aggregate amount of US\$106,000.00.

Petitioners contended that Godofredo's death is not compensable as it did not occur

during the term of his employment. A seafarer's term of employment commenced from his actual departure from the airport or seaport in the point of hire and ceased upon completion of his period of contractual service, signing-off, and arrival at the point of hire. Godofredo's 10-month contract was about to expire on March 20, 2003 when he was safely repatriated without any medical condition a few days earlier, on March 16, 2003, as he was already in a convenient port. Godofredo finished his employment contract upon signing off from M/T *Umm Al Lulu* and arriving in Manila, his point of hire, on March 16, 2003. Clearly, Godofredo's death on March 19, 2003 was not compensable because it happened beyond the term of his contract.

In addition, petitioners maintained that Godofredo's death was not work-related. As a Messman, Godofredo's duties were limited to assisting the Chief Cook in the preparation of food and could not have contributed to his demise or increased the risk of acquiring the illness which caused his death. Godofredo was not subjected to any unusual strain or required to perform any strenuous activity that could trigger a heart attack.

Petitioners also argued that a hypertensive heart disease takes years to develop and most probably Godofredo was already suffering from said disease even before the start of his employment contract. However, Godofredo failed to disclose his ailment during his PEME, thus, barring respondents from receiving death benefits on the ground of concealment of a pre-existing illness. Godofredo likewise failed to submit himself to a mandatory post-employment medical examination within three working days from his disembarkation, another ground for the denial of respondents' claim for death benefits.

Finally, petitioners maintained that there was no basis to award attorney's fees to respondents because petitioners only acted within their legal right in denying respondents' claim for death benefits, and no bad faith or malice can be imputed against them.

Ruling of the Labor Arbiter

Labor Arbiter Arden S. Anni (Anni) rendered a Decision on September 23, 2005 in respondents' favor.

Labor Arbiter Anni found that Godofredo's 10-month employment contract commenced on May 20, 2002, upon his departure from Manila on board M/T *Umm Al Lulu*, and remained effective until March 20, 2003, when such contract should have expired/ended, so his death on March 19, 2003 occurred within the term of his employment. Labor Arbiter Anni further found that Godofredo was repatriated for medical reasons on March 16, 2003, a few days prior to the expiration/end of his contract:

As earlier mentioned, [Godofredo]'s contract was supposed to expire on March 20, 2003, but then he was repatriated on March 16, 2003, *i.e.*, four (4) days before the expiration of his contract. Seemingly, we can assume, *ipso facto*, that [Godofredo] was quickly repatriated on March 16, 2003 because of his continuous headaches and body pains, more pronounced in the nape area. And, rightly so, because on March 17, 2003 [Godofredo] was treated at the clinic of Dr. Cayetano Reyes in Cavite and

was diagnosed as suffering from "Essential Hypertension." The ship captain must have been informed of [Godofredo]'s illness on board; Otherwise, who will issue the discharge and repatriation Order? This explains why the sudden discharge of [Godofredo] on March 16, 2003. Thus, to our (sic) mind, [Godofredo] 's repatriation was due to medical reason, and not due to finish contract as claimed by [petitioners]. Lamentably, none of the parties adduced evidence to prove their respective averments in this regard, not even the ship's logbook or the Master's order of discharge. Assuming arguendo, that [Godofredo] was not medically repatriated, would he be entitled to compensation benefits? YES, [Godofredo] would still be entitled to compensation benefits under Section 20(A) of the POEA Contract because he died due to work-related illness x x x.

Indeed, the circumstances surrounding the repatriation of [Godofredo] were shrouded with doubts and ambiguities, ergo. We are constrained to resolve such doubts and ambiguities in favor of labor. "It is a well-settled doctrine that if doubts exist between the evidence presented by the employer and the employee, the scales of justice must be tilted in favor of the latter. It is a time-honored rule that in controversies between a laborer and his master, doubts reasonably arising from the evidence or, in the interpretation of agreements and writings, should be resolved in the former's favor." (Nicario vs. NLRC, G.R. No. 125340, September 17, 1998).^[21]

Labor Arbiter Anni concluded that Godofredo's illness was work-related, thus, rendering the latter's subsequent death compensable:

As borne out by the records, [Godofredo] disembarked from the vessel on March 16, 2003. The following day (March 17), he was treated at the clinic of Dr. Cayetano G. Reyes who diagnosed him as suffering from "Essential Hypertension" and required to rest for one (1) week with medication (Annex "D", [respondents'] position paper). On March 19, 2003, [Godofredo] lost his life. Cause of death indicates:

Immediate Cause - Irreversible Shock
Antecedent Cause - Acute Myocardial Infarction
Underlying Cause - Hypertensive Heart Disease
(Annex "E", Suppra. [sic])

It must be stressed, at this point, that [Godofredo]'s treatment happened in one day (24-Hour) interval from his arrival in Manila and his death occurred within two days (48-Hour) from his treatment by Dr. Cayetano G. Reyes. In a span of only three days (72-hour) from [Godofredo]'s repatriation, a loss of a father - the only breadwinner in the family, suddenly struck the Repiso family like a lightning from the sky.

The sequence of events led us to conclude that [Godofredo]'s illness (Hypertension) was work-related as it was caused and/or aggravated by