

SECOND DIVISION

[G.R. No. 213279, July 11, 2016]

C.F. SHARP CREW MANAGEMENT, INC., BLUE OCEAN SHIP MANAGEMENT, LTD., AND/OR WILLIAM S. MALALUAN, PETITIONERS, VS. WILLIAM C. ALIVIO, RESPONDENT.

DECISION

BRION, J.:

We resolve the present petition for review on *certiorari*^[1] seeking the reversal of the January 30, 2014 decision^[2] and June 26, 2014 resolution ^[3] of the Court of Appeals in CA-G.R. SP No. 124006.

The Antecedents

On August 18, 2010, the respondent William **Alivio** filed a complaint for disability benefits, reimbursement of medical expenses, damages, and attorney's fees,^[4] against the **petitioners** C.F. Sharp Crew Management, Inc. (*agency*), its Sr. Crew Manager William **Malaluan** and its principal **Blue Ocean** Ship Management, Ltd. The petitioners re-hired Alivio as *bosun* for nine months starting January 7, 2009 for the vessel *Phyllis N.*^[5] He had been under successive contracts with Blue Ocean since November 1991, starting as General Purpose (*GP*) *I*, then Able Seaman (*AB*), until he was made bosun in 1999.

Alivio alleged that prior to boarding Blue Ocean's vessels (including the *Phyllis N.*), in the course of his employment with the petitioners, he passed all his pre-employment medical examinations (*PEMEs*), although sometime in October 2006, he was diagnosed to have high blood pressure. He claimed he was prescribed medications for it. He further claimed that he had been continuously hired as bosun because of his fitness to work.

Alivio signed off from the *Phyllis N* on October 3, 2009 for "*finished contract*," but before he disembarked, he allegedly experienced undue fatigue and weakness, with nape pains. On October 5, 2009, he consulted a Dr. Raymund Jay Sugay who diagnosed him with hypertension. Dr. Sugay advised him to "rest at home for one or two days to prevent further morbidity."^[6]

On January 8, 2010, the agency asked Alivio to undergo a PEME, prior to a possible re-deployment. The PEME revealed that he was suffering from *cardiomegaly* or enlarged heart and his electrocardiography (*ECG*) showed that he had *left ventricular hypertrophy with strain*. He was diagnosed with *hypertensive cardiovascular disease* and was declared "unfit for sea duty."^[7] The petitioners did not engage Alivio due to his delicate health condition.

Alivio sought a second opinion from Hi-Precision Diagnostics which arrived at essentially the same diagnosis. He also consulted with occupational health specialist Dr. Li-Ann **Orencia** who certified that his illness is work-related, permanent in nature, and compensable. ^[8] He then demanded permanent total disability compensation from the petitioners, but they refused, leaving him no option but to file his present complaint.

The petitioners denied liability, contending that Alivio is not entitled to his claim because (1) his disability resulted from an illness which is not work-related and therefore not compensable under the Philippine Overseas Employment Standard Contract (*POEA-SEC*), as he acquired the illness after the expiration of his contract with them; (2) his failure to submit himself to a post-employment medical examination by the company doctor disqualified him from claiming disability benefits; and (3) he is not entitled to damages and attorney's fees since their denial of his claim was in good faith.

The Compulsory Arbitration Rulings

In her decision^[9] of February 25, 2011, Labor Arbiter (*LA*) Fe Cellan found merit in the complaint, holding that Alivio's *hypertensive cardiovascular disease* developed during his employment with the petitioners and was aggravated by his last engagement for the *Phyllis N*. LA Cellan further held that Alivio's failure to report for post-employment medical examination to the company-designated physician did not negate his entitlement to disability compensation. She awarded him US\$60,000.00 in permanent total disability benefits, plus 10% attorney's fees.

On appeal by the petitioners, the National Labor Relations Commission (*NLRC*) set aside LA Cellan's award.^[10] It found that Alivio was repatriated not for an illness he suffered during the term of his contract, but due to the expiration of the contract. The NLRC was not convinced by his argument that he already felt symptoms of his illness onboard the vessel, but since his contract was already due to end, he opted to just let his engagement expire, instead of being medically repatriated. Further, the NLRC held that Alivio's failure to report for post-employment medical examination upon his repatriation, as mandated by the *POEA-SEC*, resulted in the forfeiture of his right to claim disability compensation.

The foregoing notwithstanding, the NLRC recognized that the work of a seaman "is difficult to say the least and it is not unlikely that his work contributed, if it did not give rise to, his illness." ^[11] It therefore deemed it proper to award Alivio financial assistance of P250,000.00.

Alivio moved for reconsideration, but the NLRC denied the motion in its resolution of January 12, 2012.^[12] He then sought relief from the CA through a Rule 65 petition for *certiorari*.

The CA Decision

In its decision of January 30, 2014,^[13] the CA set aside the NLRC ruling and reinstated LA Cellan's award. Like LA Cellan, the CA held that even if Alivio was not medically repatriated, he was not precluded from claiming disability benefits from his employer. It stressed that he should not be blamed for his failure to report for

his post-employment medical examination because he thought that the "discomforts" he suffered onboard the vessel were caused by his hypertension.^[14] Nonetheless, the CA added, Alivio was able to prove that his cardio-vascular disease was a consequence of his work as a bosun onboard the petitioners' vessel and therefore work-related.

The Petition

With their motion for reconsideration denied by the CA, the petitioners now seek the CA rulings' review by this Court, contending that the appellate court seriously erred when it (1) ruled that Alivio is entitled to permanent total disability compensation; (2) ordered the payment of attorney's fees to Alivio; and (3) held that Malaluan is solidarity liable for the award.

The petitioners submit that the NLRC committed no grave abuse of discretion in ruling that Alivio's hypertension was not duly proved and its causation was not established. Section 32-A (11) of the POEA-SEC, they argue, considers a cardio-vascular disease as occupational only if it was contracted under the following conditions:

(a) If the heart disease was known to have been present during employment, there must be proof that an acute exacerbation was clearly precipitated by the unusual strain by reason of the nature of his work.

(b) The strain of work that brings about an acute attack must be of sufficient severity and must be followed within 24 hours by the clinical signs of a cardiac insult to constitute causal relationship.

(c) If a person who was apparently asymptomatic before being subjected to strain at work showed signs and symptoms of cardiac injury during the performance of his work and such symptoms and signs persisted, it is reasonable to claim a causal relationship.

They add that for Alivio's hypertension to be considered an occupational disease, it must satisfy the following requisites under Section 32-A (20) of the POEA-SEC:

20. Essential Hypertension

Hypertension classified as primary or essential is considered compensable if it causes impairment of function of body organs like kidneys, heart, eyes and brain, resulting in permanent disability; Provided, that the following documents substantiate it: (a) chest x-ray report, (b) ECG report, (c) blood chemistry report, (d) funduscopy report, and (e) C-T scan.

The petitioners assert that Alivio failed to prove the work-causation of his illness as the evidence showed that he did not suffer any injury or illness while onboard the *Phyllis N*. The CA erred, they argue, when it declared that he suffered from a

compensable illness based on his pre-employment medical examination, conducted three months after his repatriation. Relying on *NYK-FIL Ship Management, Inc., v. NLRC*,^[15] they submit that the PEME could not have divulged his illness since the examination is merely exploratory.

Moreover, the CA's reliance on "work-aggravation" in awarding disability benefits, they argue, is misplaced considering that the POEA-SEC makes the employer liable only for a "work-related" injury or sickness. They stress that Alivio's hypertension and cardio-vascular disease are not work-related as they were obviously acquired prior to his contract of employment and were caused by pre-existing conditions. They cite his medical history where it was revealed that he is a known hypertensive with blood pressure elevations even before his deployment to the *Phyllis N*.

The petitioners additionally stress that Alivio disembarked from the vessel for finished contract and not for medical reasons, which explains his failure to report to the agency within 72 hours from disembarkation for post-employment medical examination, a mandatory requirement under the POEA-SEC.

The petitioners also dispute the award of attorney's fees to Alivio, insisting that they acted in good faith in considering his claim, in accordance with their contractual obligations to him. Lastly, they maintain that Malaluan cannot be held personally liable in the case because there was no showing that he lawfully participated or exceeded his authority in denying Alivio's "unwarranted claims."^[16]

The Case for Alivio

In his October 3, 2014 Comment,^[17] Alivio prays for dismissal of the petition for lack of merit.

He argues that "as long as the illness is contracted during the employee's employment, the employer's obligation subsists."^[18] He insists that he is entitled to full disability benefits, despite the fact that he failed to report to the agency for post-employment medical examination upon his disembarkation. He considers the requirement "not absolute as it accepts of exceptions, when reason dictates, like in the case at bar, where the seafarer does not know that he is already disabled and seriously ill."^[19]

He takes exception to the petitioners' contention that his medical condition is not work-related, asserting that he contracted his illness during his employment with them. He cited the stress, limited dietary option, imposition of staying on board the vessel after working hours, and exposure to the hazardous life at sea as among the conditions which gave rise to his illness. In any case, he argues, the work-connection of his medical condition was not an issue before the labor tribunals and it cannot now be raised by the petitioners.

Alivio bewails the petitioners' refusal to grant him attorney's fees considering that he was compelled to litigate to protect his rights. Lastly, he submits that Malaluan is solidarity liable for his claim since the agency is engaged in the business of providing maritime manpower, and as such, the agency and its principal officer are clearly liable under the law.