

SECOND DIVISION

[G.R. No. 203161, February 26, 2014]

**MARTIN K. AYUNGO, PETITIONER, VS. BEAMKO
SHIPMANAGEMENT CORPORATION, EAGLE MARITIME RAK FZE,
AND JUANITO G. SALVATIERRA, JR.,^{***} RESPONDENTS.**

DECISION

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*^[1] are the Decision^[2] dated May 4, 2012 and Resolution^[3] dated August 16, 2012 of the Court of Appeals (CA) in CA-G.R. SP No. 117162 which reversed and set aside the Resolutions^[4] dated July 20, 2010 and September 28, 2010 of the National Labor Relations Commission (NLRC) in OFW (M) 09-12328-08 dismissing petitioner Martin K. Ayungo's (Ayungo) claim for disability benefits.

The Facts

On October 11, 2007, Ayungo entered into a twelve (12) month Contract of Employment^[5] with respondent Beamko Shipmanagement Corporation (Beamko) on behalf of its foreign principal, respondent Eagle Maritime RAK FZE (Eagle Maritime), whereby he was engaged as Chief Engineer for the vessel M/V World Star (vessel).

Prior to his embarkation, or on October 10, 2007, Ayungo underwent a pre-employment medical examination^[6] (PEME) at the Sagrada Corazon Medical and Allied Services Center, Inc. (SCMASCI) in Ermita, Manila. During his PEME, Ayungo disclosed that he had Diabetes Mellitus. However, when asked if he suffered from High Blood Pressure (Hypertension), he answered in the negative. With these representations, Dr. Janilyn M. Ong and Dr. Catalina P. Ricohermoso of SCMASCI declared Ayungo "FIT FOR SEA DUTY." Thereafter, Ayungo left Manila and boarded the vessel on October 14, 2007.^[7]

In the morning of March 15, 2008, Ayungo suddenly lost his sense of hearing while on duty in the engine room, and only heard a continuous ringing noise. But since the vessel was about to reach the port of Yokohama, Japan, Ayungo continued to work until 8:00 in the evening of that day. After three (3) hours, Ayungo woke up and felt like his surroundings were spinning. Then, he vomited, lost consciousness, and was later found by Oiler Desiderio Sumalinog lying on the floor. The incident was reported^[8] to the master of the vessel, Captain J. A. Clenista, for proper action.^[9]

Upon reaching the port of Yokohama, Japan on March 16, 2008, Ayungo was confined at the Yokohama Red Cross Hospital and was initially diagnosed with "sudden dysacusis" – a condition in which certain sounds produce discomfort

(auditory dysesthesia).^[10] On March 25, 2008, he was repatriated to the Philippines for further medical treatment and examination.^[11]

Following his repatriation, Ayungo was attended to by Dr. Robert Lim (Dr. Lim) of the Metropolitan Medical Center (MMC), the designated physician of Beamko. In a Medical Certificate^[12] dated March 26, 2008, his tests reflected the following impressions: (a) to consider Meniere's Syndrome (Endolymphatics Hydrops); (b) Hypertension; and (c) Diabetes Mellitus. It was also revealed that Ayungo was previously diagnosed with Hypertension which he maintained by taking the prescriptive drug Lifezar.

In another Medical Report^[13] dated May 21, 2008, Ayungo was further diagnosed with Multiple Lacunar Infarcts and Coronary Artery Disease (CAD).

On July 9, 2008, Dr. Mylene Cruz-Balbon (Dr. Cruz-Balbon) and Dr. Lim of the MMC issued another report,^[14] finding that Ayungo's Hypertension and Diabetes Mellitus were both pre-existing and not work-related, viz.:

As per our reply to your previous inquiry dated April 10, 2008, his **Hypertension and Diabetes Mellitus are both pre-existing** and can be contributory to the Multiple Lacunar Infarcts noted on CT Scan.

x x x x

Hypertension is not work-related. It is multifactorial in origin which includes genetic predisposition, poor lifestyle, high salt intake, smoking, Diabetes Mellitus, age and increased sympathetic activity.

Diabetes Mellitus is usually familial/hereditary and is not work related. (Emphases and underscoring supplied)

Unconvinced, Ayungo consulted another physician, Dr. May S. Donato-Tan (Dr. Donato-Tan) of the Philippine Heart Center. In an undated medical certificate,^[15] the latter declared him to be suffering from CAD, Hypertension and Diabetes Mellitus that rendered him unfit for sea duty in any capacity, the status thereof being that of a permanent total disability.^[16]

On September 2, 2008, Ayungo filed a complaint^[17] before the NLRC for the payment of permanent total disability benefits, sickness allowance, reimbursement of medical expenses, damages and attorney's fees against Beamko, respondent Juanito G. Salvatierra, Jr. (Salvatierra, Jr.), in his capacity as President of Beamko, and Eagle Maritime (respondents).

In his Position Paper^[18] dated February 4, 2009, Ayungo claimed that he is entitled to permanent total disability benefits considering that: (a) his medical records disclose that his Hypertension caused the impairment of his heart and kidney organs;^[19] (b) his Hypertension and CAD developed and/or became aggravated as a result of the conditions of his employment;^[20] and (c) by employing Ayungo despite the disclosure in his PEME that he had Diabetes Mellitus, Beamko and Eagle Maritime assumed the risk of liability arising from his weakened medical condition.
^[21]

In opposition, respondents contended^[22] that: (a) Ayungo was already suffering from his illnesses when he entered into the contract of employment with Beamko and Eagle Maritime;^[23] and (b) his illnesses were not work-related under the 2000 Philippine Overseas Employment Agency Standard Employment Contract (2000 POEA-SEC).^[24]

The LA Ruling

In a Decision^[25] dated May 14, 2009, the Labor Arbiter (LA) ordered Beamko, Eagle Maritime, and Salvatierra, Jr. to jointly and severally pay Ayungo the sum of: (a) US\$60,000.00 as permanent total disability benefits, as well as US\$6,300.00 sickness allowance, to be paid in Philippine currency at the time of payment; (b) P100,000.00 as moral damages; (c) P100,000.00 as exemplary damages; and (d) attorney's fees equivalent to 10% of the total monetary award.

The LA held that Beamko, Eagle Maritime, and Salvatierra, Jr. cannot evade liability by claiming that Ayungo's illnesses were pre-existing considering that during his PEME, he divulged that he had Diabetes Mellitus, and despite such, was still declared "fit for sea duty."^[26] The LA did not give credence to Dr. Cruz-Balbon's and Dr. Lim's findings that Ayungo's Diabetes Mellitus and Hypertension were not work-related as the same appeared to be mere general statements unsupported by medical and laboratory tests.^[27] Lastly, the LA concluded that Ayungo's Hypertension can be classified as primary or essential for the reason that it had caused the impairment of his heart and kidney organs.^[28]

Dissatisfied, respondents filed an appeal to the NLRC.

The NLRC Ruling

In a Resolution^[29] dated July 20, 2010, the NLRC denied the appeal, and thereby affirmed the LA's ruling *in toto*. It fully subscribed to the findings of the LA that Ayungo's Diabetes Mellitus and Hypertension were work-related and, hence, compensable, effectively debunking respondents' contention that Ayungo is not entitled to permanent total disability benefits on the ground that his illnesses were pre-existing.

Respondents moved for reconsideration which the NLRC denied in a Resolution^[30] dated September 28, 2010, prompting the filing of a petition for *certiorari* before the CA.

Pending resolution thereof, both parties jointly filed a Conditional Satisfaction of Judgment Award^[31] before the NLRC, wherein Ayungo manifested his receipt^[32] of the sum of P3,391,506.31 from respondents, without prejudice to the outcome of the *certiorari* case filed before the CA.

The CA Ruling

In a Decision^[33] dated May 4, 2012, the CA granted the *certiorari* petition, and thereby set aside the NLRC's decision. It found that while Ayungo indeed disclosed that he had Diabetes Mellitus, this fact alone does not entitle him to disability benefits as he failed to show the causal connection between his illness and the work for which he was contracted.^[34] Similarly, the CA rejected Ayungo's claim in

connection with his Hypertension as it was not shown that said illness impaired the function of any of his body organs.^[35] Lastly, the CA stated that the undated medical certificate of Dr. Donato-Tan cannot be given credence for failing to show that Ayungo's illnesses were work-related, considering too that Ayungo failed to refer the matter to a "third doctor" as prescribed under the 2000 POEA-SEC.^[36]

Dissatisfied, Ayungo filed a motion for reconsideration which was denied in a Resolution^[37] dated August 16, 2012, hence, this petition.

The Issue Before the Court

The essential issue for the Court's resolution is whether or not the CA erred in granting respondents' petition for *certiorari*, thereby setting aside the NLRC's decision holding that Ayungo was entitled to disability benefits.

The Court's Ruling

To justify the grant of the extraordinary remedy of *certiorari*, the petitioner must satisfactorily show that the court or quasi-judicial authority gravely abused the discretion conferred upon them. Grave abuse of discretion connotes judgment exercised in a capricious and whimsical manner that is tantamount to lack of jurisdiction. To be considered "grave," the discretionary authority must be exercised in a despotic manner by reason of passion or personal hostility, and must be so patent and gross as to amount to an evasion of positive duty or to a virtual refusal to perform the duty enjoined by or to act all in contemplation of law.^[38]

In labor disputes, grave abuse of discretion may be ascribed to the NLRC when, *inter alia*, its findings and the conclusions reached thereby are not supported by substantial evidence.^[39] This requirement is clearly expressed in Section 5, Rule 133 of the Rules of Court which provides that "[i]n cases filed before administrative or quasi-judicial bodies, a fact may be deemed established if it is supported by substantial evidence, or that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion."

Guided by the foregoing considerations, the Court finds that the CA correctly granted respondents' *certiorari* petition since the NLRC gravely abused its discretion when it held that Ayungo was entitled to disability benefits notwithstanding the latter's failure to establish his claim through substantial evidence.

Specifically, Ayungo was not able to demonstrate, under the parameters of the above-mentioned evidentiary threshold, that his Diabetes Mellitus was related to his work as Chief Engineer during the course of his employment. It is well-settled that for a disability to be compensable, the seafarer must establish that there exists "a reasonable linkage between the disease suffered by the employee and his work to lead a rational mind to conclude that his work may have contributed to the establishment or, at the very least, aggravation of any pre-existing condition he might have had."^[40] In other words, not only must the seafarer establish that his injury or illness rendered him permanently or partially disabled, it is equally pertinent that he shows a causal connection between such injury or illness and the work for which he had been contracted.^[41]

In this case, the NLRC gravely abused its discretion in affirming the LA's findings that Ayungo is entitled to disability benefits on the ground that Beamko and Eagle