

SECOND DIVISION

[G.R. No. 181921, September 17, 2014]

**INTERORIENT MARITIME ENTERPRISES, INC., PETITIONER, VS.
VICTOR M. CREER III, RESPONDENT.**

DECISION

DEL CASTILLO, J.:

"The oft repeated rule is that whoever claims entitlement to the benefits provided by law should establish his or her right thereto by substantial evidence."^[1]

This Petition for Review on *Certiorari*^[2] assails the November 29, 2007 Decision^[3] of the Court of Appeals (CA) in CA-G.R. SP No. 90374 which reversed and set aside the July 30, 2004 Decision^[4] of the National Labor Relations Commission (NLRC). The said NLRC Decision affirmed the November 28, 2003 Decision^[5] of the Labor Arbiter which dismissed the Complaint^[6] filed by respondent Victor M. Creer III (Victor) against petitioner InterOrient Maritime Enterprises, Inc. (InterOrient) for permanent disability benefits, medical reimbursement, sickness allowances, moral and exemplary damages, and attorney's fees.

Also assailed in this Petition is the February 21, 2008 CA Resolution^[7] which denied InterOrient's Motion for Reconsideration.^[8]

Factual Antecedents

On April 4, 2001, InterOrient hired Victor as Galley Boy on board the vessel M/V MYRTO owned by Calidero Shipping Company, Ltd. (Calidero) for a period of nine months, which may be extended for three more months upon mutual consent of the parties. Victor was required to work 48 hours a week, with a basic monthly salary of US\$235.00 and US\$94.00 fixed overtime pay per month.

Prior to embarkation, Victor went through the requisite Pre-Employment Medical Examination (PEME) and was declared fit for sea duty. On May 12, 2001, Victor commenced his employment on board the vessel where he performed the following duties and responsibilities as Galley Boy/2nd Cook:

- * carry food stuff from reefer and dry store provisions to galley;
- * wash vegetables;
- * prepare and cook breakfast;
- * prepare and cook lunch and dinner;
- * wash used cooking utensils;
- * keep hygiene in mess room and mess room pantry;

- * general cleaning in provision chambers and dry provision store;
- * clean up mess room.^[9]

As 2nd Cook, Victor was tasked to get provisions from the cold storage which is kept at its coldest temperature to maintain freshness of the food stored therein. He would do this either immediately before or after his exposure to intense heat in the galley.

Victor alleged that when he was about to get provisions from the cold storage sometime in November 2001, he felt a sudden pain in his chest that radiated to his back. Since then, he experienced incessant cough, nasal congestion, difficulty in breathing, physical weakness, chills and extreme apprehension. According to him, this condition persisted until the expiration of his contract on May 7, 2002.

On May 9, 2002, Victor arrived in Manila. The following day, he reported to the office of InterOrient and informed the company about the pain he experienced while he was on board. Victor averred that InterOrient merely advised him to consult a doctor without giving him any doctor's referral. He did, however, sign a Receipt and Release^[10] where he acknowledged receipt of the full payment of his monetary entitlements under the employment contract, which provides in part, *viz*:

I hereby declare and confirm that I have no other claim against said vessel, her Master, Owners, Operators and Agents and I hereby discharge and release them from any other liability whatsoever[.] I further certify and confirm that I worked on board the said vessel under normal conditions and that I have not contracted or suffered any illness or injury from my work and that I was discharged in good and perfect health.^[11]

Thereafter, Victor claimed that he underwent medical examination at the Fatima Medical Clinic where he shouldered all expenses. Although he reported his condition to InterOrient, he was still not given any medical assistance. Instead, he was merely told to continue medication and consultation.

On June 18, 2002, Victor went to the Heart and Lung Diagnostic Center where his attending physician, Dr. Fernando G. Ayuyao (Dr. Ayuyao), found Victor to be suffering from Community-Acquired Pneumonia 1 and Bronchial Asthma. Medicines were prescribed and he was advised to have another chest x-ray for re-evaluation after two weeks. One month later, or on July 18, 2002, Dr. Ayuyao prescribed Victor with anti-TB medications. Victor claimed that he continued his medication for nine months. But when he consulted another doctor, a certain Dr. Purugganan from Citihealth Diagnostic Center on June 5, 2003, it was found out that he had far-advanced pulmonary tuberculosis.^[12]

On August 13, 2003, Victor consulted another physician, Dr. Efren R. Vicaldo (Dr. Vicaldo), at the Philippine Heart Center. After conducting a medical examination and evaluation, Dr. Vicaldo issued a medical certificate indicating that Victor was diagnosed with Hypertension, Stage II, and Pulmonary Tuberculosis.^[13] He gave Victor an impediment grade VIII (33.59%)^[14] and further declared him unfit to

resume work as a seaman in any capacity, and that his illness was considered work-aggravated.^[15]

Victor contended that during the course of his treatment, he regularly informed InterOrient of his sickness. However, he was neither apprised of his rights to nor paid sickness allowance amounting to US\$940.00 as mandated in the Philippine Overseas Employment Agency (POEA) 2000 Amended Standard Terms and Conditions of Employment Contract Governing Seafarers (POEA Contract). And as his requests for payment of the said allowance were consistently ignored, he filed with the Labor Arbiter on August 28, 2003 a Complaint for permanent disability benefits for pulmonary tuberculosis, medical reimbursement, sickness allowance, compensatory, moral and exemplary damages, and attorney's fees against InterOrient and Calidero.

In its Position Paper,^[16] InterOrient negated Victor's claim for disability benefits averring that the same has no factual, contractual or legal basis. It argued that his discharge from the vessel was not occasioned by any illness or injury sustained or contracted on board but was simply due to completion or expiration of his contract; that he voluntarily executed a Receipt and Release document wherein he acknowledged that he had not contracted any illness while on board; that he was released in good and perfect health; and that there is no clear evidence that shows his entitlement to the benefits or damages being claimed.

Ruling of the Labor Arbiter

In his Decision^[17] of November 28, 2003, the Labor Arbiter noted that there is nothing on record to show that Victor ever made any formal claim for sickness allowance, medical benefits and disability benefits while on board the vessel or immediately after his repatriation. Neither did he submit to, nor apply for any post-employment medical examination within three days from his repatriation – a requirement for claims for sickness and disability benefits. Instead, his Complaint to recover benefits based on the claim that he contracted sickness on board the vessel was only filed 15 months after his repatriation.

The Labor Arbiter took judicial notice of the fact that seamen enjoy the most generous and liberal medical and disability benefits of all overseas workers. Thus, he deemed it contrary to logic, reason and experience for Victor not to claim medical and sickness benefits if he really was ill while on board the vessel, or immediately after his repatriation. In conclusion, the Labor Arbiter held that InterOrient cannot be held liable for Victor's claims since he must have contracted his ailment after repatriation and not while aboard the vessel, not to mention that the contract between the parties had already expired. Hence, the dispositive portion of the said Decision reads:

WHEREFORE, premises considered, the complaint is hereby dismissed for lack of merit.

SO ORDERED.^[18]

Ruling of the National Labor Relations Commission

Victor appealed to the NLRC averring the following: that the Receipt and Release primarily relied upon by the Labor Arbiter in arriving at his Decision contained a mere pro-forma addendum (particularly a certificate of fitness) which had no substantial basis; that said Receipt and Release cannot overrule the certifications of the doctors/health experts as to the status of his health; that the Receipt and Release cannot effectively bar his entitlement to benefits since at the time of its execution, he honestly believed that what he had was just the common cough and colds that he has had for several months; that he did not know that letting common colds persist for prolonged periods weakens the body's defenses and increases the risk of acquiring infection, including tuberculosis; that the absence of any showing that he was claiming to be sick or claiming sickness benefits does not prevent his present claim; that his acquisition of the infection can be clearly traced to his employment with InterOrient; that the absence of signs and symptoms of tuberculosis while still under the employ of InterOrient, and even after his disembarkation, does not absolutely mean that he was free from such infection during the said period; and that the initial stages of tuberculosis are usually asymptomatic thus explaining the absence of signs and symptoms during the early stages of his infection while he was on board the vessel.

The NLRC, however, did not find merit in Victor's arguments. In a Decision^[19] dated July 30, 2004, it affirmed *in toto* the Decision of the Labor Arbiter and dismissed Victor's appeal.

Victor moved for reconsideration^[20] but the same was denied in an Order^[21] dated April 20, 2005.

Ruling of the Court of Appeals

The CA, in resolving Victor's Petition for *Certiorari*^[22] in a Decision^[23] dated November 29, 2007, granted the same and awarded him permanent disability benefits and attorney's fees.

Applying Section 32-A of the POEA Contract, the CA declared Victor's illness, pulmonary tuberculosis, included in the list of occupational diseases. It found that Victor was overworked and over-fatigued as a result of the long hours of work required by his duties and that he was exposed to daily rapid variations in temperature. Aside from physical strain, he was also subjected to emotional stress brought about by the separation from his family. The CA concluded that with his daily exposure to these factors which could weaken his immune system, it was not impossible that he contracted tuberculosis during the course of his employment.

The CA disregarded the argument attributing the cause of ailment to Victor's lifestyle and activities after his repatriation, explaining that it was sufficient that the employment contributed even in a small degree to the development of the disease. Anent InterOrient's contention that Victor never intimated or complained about any illness or injury while on board the vessel, the said court stated that it is not required for an illness to be considered as an occupational disease before a Complaint can be filed. One needs only to prove that the ailment was contracted while working under conditions involving the risk described in the POEA Contract. The CA did not likewise give much weight to the Receipt and Release signed by

Victor as it found its terms so unconscionable that Victor was shortchanged by a significant amount.

InterOrient filed a Motion for Reconsideration^[24] which was denied by the CA in a Resolution^[25] dated February 21, 2008.

Issues

Hence, this Petition for Review on *Certiorari* imputing upon the CA the following errors:

X X X THE HONORABLE COURT OF APPEALS GRIEVOUSLY ERRED IN AWARDING PERMANENT DISABILITY BENEFITS IN THE AMOUNT OF US\$60,000.00 AND ATTORNEY'S FEES, CONSIDERING THAT:

A.

THE COURT OF APPEALS ERRED IN SETTING ASIDE THE NLRC'S DECISION, THERE BEING NO GRAVE ABUSE OF DISCRETION ON THE PART OF THE COMMISSION. ON THE CONTRARY, THE NLRC DECISION WAS SUPPORTED BY SUBSTANTIAL EVIDENCE.

B.

THE COURT OF APPEALS DISREGARDED THE TERMS AND CONDITIONS OF THE POEA STANDARD EMPLOYMENT CONTRACT WHEN IT RULED THAT VICTOR M. CREER III'S ILLNESS WAS WORK-RELATED DESPITE THE FACT THAT THE SAME AROSE ELEVEN (11) MONTHS AFTER THE EXPIRATION OF HIS EMPLOYMENT CONTRACT.

C.

THE COURT OF APPEALS ERRED IN RULING THAT VICTOR M. CREER III'S ILLNESS AROSE DURING HIS EMPLOYMENT OR THE RISK OF CONTRACTING THE SAME WAS AGGRAVATED BY HIS EMPLOYMENT DESPITE THE LACK OF REASONABLE PROOF IN THIS RESPECT.

D.

THE COURT OF APPEALS ERRED IN AWARDING ATTORNEY'S FEES.^[26]

The pivotal issue is whether InterOrient can be held accountable for Victor's disease even if the same was diagnosed 11 months after he disembarked from the vessel upon the termination of his employment contract.

The Parties' Arguments

InterOrient insists that the CA erred in ruling that Victor's sickness was work-related considering the dearth of evidence that would establish that he suffered from the symptoms of the disease while on board the vessel. It argues that if Victor was