

SECOND DIVISION

[G.R. No. 175558, February 08, 2012]

SKIPPERS UNITED PACIFIC, INC. AND SKIPPERS MARITIME SERVICES, INC., LTD., PETITIONERS, VS. NATHANIEL DOZA, NAPOLEON DE GRACIA, ISIDRO L. LATA, AND CHARLIE APROSTA, RESPONDENTS.

DECISION

CARPIO, J.:

The Case

This is a Petition for Review under Rule 45 assailing the 5 July 2006 Decision^[1] and 7 November 2006 Resolution^[2] of the Court of Appeals in CA-G.R. SP No. 88148.^[3]

This arose from consolidated labor case^[4] filed by seafarers Napoleon De Gracia (De Gracia), Isidro L. Lata (Lata), Charlie Aprosta (Aprosta), and Nathaniel Doza (Doza) against local manning agency Skippers United Pacific, Inc. and its foreign principal, Skippers Maritime Services, Inc., Ltd. (Skippers) for unremitted home allotment for the month of December 1998, salaries for the unexpired portion of their employment contracts, moral damages, exemplary damages, and attorney's fees. Skippers, on the other hand, answered with a claim for reimbursement of De Gracia, Aprosta and Lata's repatriation expenses, as well as award of moral damages and attorney's fees.

De Gracia, Lata, Aprosta and Doza's (De Gracia, et al.) claims were dismissed by the Labor Arbiter for lack of merit.^[5] The Labor Arbiter also dismissed Skippers' claims.^[6] De Gracia, et al. appealed^[7] the Labor Arbiter's decision with the National Labor Relations Commission (NLRC), but the First Division of the NLRC dismissed the appeal for lack of merit.^[8] Doza, et al.'s Motion for Reconsideration was likewise denied by the NLRC,^[9] so they filed a Petition for Certiorari with the Court of Appeals (CA).^[10]

The CA granted the petition, reversed the Labor Arbiter and NLRC Decisions, and awarded to De Gracia, Lata and Aprosta their unremitted home allotment, three months salary each representing the unexpired portion of their employment contracts and attorney's fees.^[11] No award was given to Doza for lack of factual basis.^[12] The CA denied Skippers' Motion for Partial Reconsideration.^[13] Hence, this Petition.

The Facts

Skippers United Pacific, Inc. deployed, in behalf of Skippers, De Gracia, Lata, and

Aprosta to work on board the vessel MV Wisdom Star, under the following terms and conditions:

Name: Napoleon O. De Gracia
Position: 3rd Engineer
Contract Duration: 10 months
Basic MonthlyUS\$800.00
Salary:
Contract Date: 17 July 1998^[14]
Name: Isidro L. Lata
Position: 4th Engineer
Contract Duration: 12 months
Basic MonthlyUS\$600.00
Salary:
Contract Date: 17 April 1998^[15]
Name: Charlie A. Aprosta
Position: Third Officer
Contract Duration: 12 months
Basic MonthlyUS\$600.00
Salary:
Contract Date: 17 April 1998^[16]

Paragraph 2 of all the employment contracts stated that: "The terms and conditions of the Revised Employment Contract Governing the Employment of All Seafarers approved per Department Order No. 33 and Memorandum Circular No. 55, both series of 1996 shall be strictly and faithfully observed."^[17] No employment contract was submitted for Nathaniel Doza.

De Gracia, et al. claimed that Skippers failed to remit their respective allotments for almost five months, compelling them to air their grievances with the Romanian Seafarers Free Union.^[18] On 16 December 1998, ITF Inspector Adrian Mihalcioiu of the Romanian Seafarers Union sent Captain Savvas of Cosmos Shipping a fax letter, relaying the complaints of his crew, namely: home allotment delay, unpaid salaries (only advances), late provisions, lack of laundry services (only one washing machine), and lack of maintenance of the vessel (perforated and unrepaired deck).^[19] To date, however, Skippers only failed to remit the home allotment for the month of December 1998.^[20] On 28 January 1999, De Gracia, et al. were unceremoniously discharged from MV Wisdom Stars and immediately repatriated.^[21] Upon arrival in the Philippines, De Gracia, et al. filed a complaint for illegal dismissal with the Labor Arbiter on 4 April 1999 and prayed for payment of their home allotment for the month of December 1998, salaries for the unexpired portion of their contracts, moral damages, exemplary damages, and attorney's fees.^[22]

Skippers, on the other hand, claims that at around 2:00 a.m. on 3 December 1998, De Gracia, smelling strongly of alcohol, went to the cabin of Gabriel Oleszek, Master of MV Wisdom Stars, and was rude, shouting noisily to the master.^[23] De Gracia left the master's cabin after a few minutes and was heard shouting very loudly somewhere down the corridors.^[24] This incident was evidenced by the Captain's Report sent via telex to Skippers on said date.^[25]

Skippers also claims that at 12:00 noon on 22 January 1999, four Filipino seafarers, namely Aprosta, De Gracia, Lata and Doza, arrived in the master's cabin and demanded immediate repatriation because they were not satisfied with the ship.^[26] De Gracia, et al. threatened that they may become crazy any moment and demanded for all outstanding payments due to them.^[27] This is evidenced by a telex of Cosmoship MV Wisdom to Skippers, which however bears conflicting dates of 22 January 1998 and 22 January 1999.^[28]

Skippers also claims that, due to the disembarkation of De Gracia, et al., 17 other seafarers disembarked under abnormal circumstances.^[29] For this reason, it was suggested that Polish seafarers be utilized instead of Filipino seamen.^[30] This is again evidenced by a fax of Cosmoship MV Wisdom to Skippers, which bears conflicting dates of 24 January 1998 and 24 January 1999.^[31]

Skippers, in its Position Paper, admitted non-payment of home allotment for the month of December 1998, but prayed for the offsetting of such amount with the repatriation expenses in the following manner:^[32]

Seafarer	Repatriation Expense	Home Allotment	Balance
De Gracia	US\$1,340.00	US\$900.00	US\$440.00
Aprosta	US\$1,340.00	US\$600.00	US\$740.00
Lata	US\$1,340.00	US\$600.00	US\$740.00

Since De Gracia, et al. pre-terminated their contracts, Skippers claims they are liable for their repatriation expenses^[33] in accordance with Section 19(G) of Philippine Overseas Employment Administration (POEA) Memorandum Circular No. 55, series of 1996 which states:

G. A seaman who requests for early termination of his contract shall be liable for his repatriation cost as well as the transportation cost of his replacement. The employer may, in case of compassionate grounds, assume the transportation cost of the seafarer's replacement.

Skippers also prayed for payment of moral damages and attorney's fees.^[34]

The Decision of the Labor Arbiter

The Labor Arbiter rendered his Decision on 18 February 2002, with its dispositive portion declaring:

WHEREFORE, judgment is hereby rendered dismissing herein action for lack of merit. Respondents' claim for reimbursement of the expenses they incurred in the repatriation of complainant Nathaniel Doza is likewise dismissed.

SO ORDERED.[35]

The Labor Arbiter dismissed De Gracia, et al.'s complaint for illegal dismissal because the seafarers voluntarily pre-terminated their employment contracts by demanding for immediate repatriation due to dissatisfaction with the ship.[36] The Labor Arbiter held that such voluntary pre-termination of employment contract is akin to resignation,[37] a form of termination by employee of his employment contract under Article 285 of the Labor Code. The Labor Arbiter gave weight and credibility to the telex of the master of the vessel to Skippers, claiming that De Gracia, et al. demanded for immediate repatriation.[38] Due to the absence of illegal dismissal, De Gracia, et. al.'s claim for salaries representing the unexpired portion of their employment contracts was dismissed.[39]

The Labor Arbiter also dismissed De Gracia et al.'s claim for home allotment for December 1998.[40] The Labor Arbiter explained that payment for home allotment is "in the nature of extraordinary money where the burden of proof is shifted to the worker who must prove he is entitled to such monetary benefit." [41] Since De Gracia, et al. were not able to prove their entitlement to home allotment, such claim was dismissed.[42]

Lastly, Skippers' claim for reimbursement of repatriation expenses was likewise denied, since Article 19(G) of POEA Memorandum Circular No. 55, Series of 1996 allows the employer, in case the seafarer voluntarily pre-terminates his contract, to assume the repatriation cost of the seafarer on compassionate grounds.[43]

The Decision of the NLRC

The NLRC, on 28 October 2002, dismissed De Gracia, et al.'s appeal for lack of merit and affirmed the Labor Arbiter's decision.[44] The NLRC considered De Gracia, et al.'s claim for home allotment for December 1998 unsubstantiated, since home allotment is a benefit which De Gracia, et al. must prove their entitlement to.[45] The NLRC also denied the claim for illegal dismissal because De Gracia, et al. were not able to refute the telex received by Skippers from the vessel's master that De Gracia, et al. voluntarily pre-terminated their contracts and demanded immediate repatriation due to their dissatisfaction with the ship's operations.[46]

The Decision of the Court of Appeals

The CA, on 5 July 2006, granted De Gracia, et al.'s petition and reversed the decisions of the Labor Arbiter and NLRC, its dispositive portion reading as follows:

WHEREFORE, the instant petition for certiorari is GRANTED. The Resolution dated October 28, 2002 and the Order dated August 31, 2004 rendered by the public respondent NLRC are ANNULLED and SET ASIDE. Let another judgment be entered holding private respondents jointly and severally liable to petitioners for the payment of:

1. Unremitted home allotment pay for the month of December, 1998 or the equivalent thereof in Philippine pesos:
 - a. De Gracia = US\$900.00
 - b. Lata = US\$600.00
 - c. Aprosta = US\$600.00
2. Salary for the unexpired portion of the employment contract or for 3 months for every year of the unexpired term, whichever is less, or the equivalent thereof in Philippine pesos:
 - a. De Gracia = US\$2,400.00
 - b. Lata = US\$1,800.00
 - c. Aprosta = US\$1,800.00
3. Attorney's fees and litigation expenses equivalent to 10% of the total claims.

SO ORDERED.^[47]

The CA declared the Labor Arbiter and NLRC to have committed grave abuse of discretion when they relied upon the telex message of the captain of the vessel stating that De Gracia, et al. voluntarily pre-terminated their contracts and demanded immediate repatriation.^[48] The telex message was "a self-serving document that does not satisfy the requirement of substantial evidence, or that amount of relevant evidence which a reasonable mind might accept as adequate to justify the conclusion that petitioners indeed voluntarily demanded their immediate repatriation."^[49] For this reason, the repatriation of De Gracia, et al. prior to the expiration of their contracts showed they were illegally dismissed from employment.^[50]

In addition, the failure to remit home allotment pay was effectively admitted by Skippers, and prayed to be offset from the repatriation expenses.^[51] Since there is no proof that De Gracia, et al. voluntarily pre-terminated their contracts, the repatriation expenses are for the account of Skippers, and cannot be offset with the home allotment pay for December 1998.^[52]

No relief was granted to Doza due to lack of factual basis to support his petition.^[53] Attorney's fees equivalent to 10% of the total claims was granted since it involved an action for recovery of wages or where the employee was forced to litigate and incur expenses to protect his rights and interest.^[54]

The Issues

Skippers, in its Petition for Review on Certiorari, assigned the following errors in the CA Decision:

- a) The Court of Appeals seriously erred in not giving due credence to the master's telex message showing that the respondents voluntarily