685 Phil. 704

FIRST DIVISION

[G.R. No. 173951, April 16, 2012]

DANIEL M. ISON, PETITIONER, VS. CREWSERVE, INC., ANTONIO GALVEZ, JR., AND MARLOW NAVIGATION CO., LTD., RESPONDENTS.

D E C I S I O N

DEL CASTILLO, J.:

While the provisions of the Philippine Overseas Employment Administration Standard Employment Contract (POEA-SEC) are liberally construed in favor the well-being of Overseas Filipino Workers (OFW), claims for compensation which hinge on surmises must still be denied, as in this case.

By this Petition for Review on *Certiorari*,[1] petitioner Daniel M. Ison assails the Decision[2] dated February 17, 2006 and Resolution[3] dated August 1, 2006 of the Court of Appeals (CA) in CA-G.R. SP No. 89112, which reversed and set aside the Decisions dated February 26, 2004[4] and August 24, 2004[5] and the Resolution[6] dated February 28, 2005 of the National Labor Relations Commission (NLRC), and consequently dismissed petitioner's claim for disability benefits against respondents Crewserve, Inc., Antonio Galvez, Jr. (in his capacity as President of Crewserve, Inc.) and Marlow Navigation Co., Ltd.

Factual Antecedents

On July 21, 1999, a Contract of Employment[7] was entered into by and between petitioner and respondents whereby the former agreed to work as Cook A for the latter on board *M.V. Stadt Kiel* for a period of 12 months at a basic monthly salary of US$550.00. Said contract was approved by the Philippine Overseas Employment Administration (POEA).

After his pre-employment medical examination, petitioner boarded the vessel in November 1999. During the course of his employment, however, petitioner experienced chest pains and leg cramps. Thus, when the vessel reached Miami, Florida, he was sent to Sunshine Medical Center for a medical check-up, electrocardiogram (ECG) and chest x-ray. The tests revealed abnormal findings with the corresponding recommendation that petitioner consult a cardiologist.[8] Petitioner was thereafter medically repatriated on June 24, 2000.

Upon repatriation, petitioner was referred to respondents' physician at El Roi Diagnostic Center for a medical examination and was diagnosed to be suffering from enlargement of the heart and hypertension. For two months, he underwent a series of treatment at respondents' expense. On August 25, 2000, petitioner was declared fit to return to work since the diagnosis of the company-designated physician

already showed controlled hypertension with the concomitant advice, however, of continuous medication for life.[9] Petitioner thereafter executed on September 8, 2000, a release and quitclaim[10] in favor of respondents wherein he acknowledged receipt of US$1,136.67 corresponding to his sickness allowance, thereby releasing his employer from future claims and actions.

Proceedings before the Labor Arbiter

Despite the execution of the aforesaid release and quitclaim, petitioner, on November 7, 2001, filed a complaint[11] against respondents before the Arbitration Branch of the NLRC to claim full disability benefits amounting to US$60,000.00 pursuant to the POEA-SEC; moral and exemplary damages for P1,000,000.00 and P200,000.00, respectively; and, 25% attorney's fees. Petitioner claimed that his illness continued to worsen despite the fit to work assessment of the company-designated physician, rendering him unfit for sea service and entitling him to total and permanent disability compensation. To support this, petitioner presented: 1) a medical certificate[12] dated January 11, 2001 issued by Dr. Efren R. Vicaldo (Dr. Vicaldo), whose evaluation revealed that petitioner was suffering from hypertensive cardiovascular disease, concentric left ventricular hypertrophy, lateral wall ischemic and who suggested a Grade V impediment rating; and 2) a medical certificate[13] dated June 16, 2001 issued by Dr. Jocelyn Myra R. Caja (Dr. Caja), who recommended close monitoring of petitioner's medical condition and limitation of his daily activities. Dr. Caja, in the same certification, also gave petitioner a disability rating of Grade 3 and declared him unfit to work.

Respondents, on the other hand, argued that petitioner is not entitled to any disability compensation as he was declared fit to return to work as a seaman on August 25, 2000 after undergoing two months of medical treatment at respondents' expense. Respondents further claimed to have settled its obligation to petitioner when the latter received the amount of $1,136.67 as full settlement of his claims including sickness allowance, as evidenced by a release and quitclaim duly executed and signed by him.

In a Decision[14] dated January 21, 2003, the Labor Arbiter dismissed the complaint of petitioner considering that the certifications he presented do not outweigh the company-designated physician's fit to work assessment. According to the Labor Arbiter, the certifications of disability issued by petitioner's physicians were made long after he was declared fit to work and were based only on petitioner's single consultation with each of them. In contrast, respondents dutifully complied with their obligations under the employment contract by providing petitioner with medical assistance at the foreign port, repatriating him at their expense, providing him with medical examination and treatment, paying his sickness allowance, and assessing him to be fit to return to work. The claims for damages and attorney's fees were also denied.

Proceedings before the National Labor Relations Commission

On appeal by petitioner, the NLRC through a Decision[15] dated February 26, 2004 reversed and set aside the Labor Arbiter's ruling. The NLRC disregarded the certification of fitness to work issued by the company-designated physician since it

found petitioner's subsequent consultations with Drs. Vicaldo and Caja as proof of the severity of petitioner's illness. The NLRC went on to declare that petitioner's poor health condition, which required close monitoring and continuous medication, resulted to the impairment of his earning capacity thereby entitling him to disability benefits. The dispositive portion of the Decision reads:

> WHEREFORE, finding merit in the appeal, the Decision dated 21 January 2003 is hereby reversed and set aside. Complainant is entitled to minimum disability benefits corresponding to his illness of hypertensive cardiovascular disease, ischemic heart disease in the amount of US$3,360.00.
>
> SO ORDERED.[16]

Not satisfied with the amount of the award, petitioner sought reconsideration averring that he is entitled to a total and permanent disability compensation in the amount of US$60,000.00 or at least US$39,180.00, which is equivalent to the disability grading of 3 as certified by Dr. Caja. He also reiterated his prayer for damages and attorney's fees.

On August 24, 2004, the NLRC issued another Decision[17] wherein it modified its earlier ruling by granting petitioner the amount corresponding to Grade 3 disability rating based on the certification issued by Dr. Caja. He was likewise awarded 5% attorney's fees but not damages since bad faith is lacking on the part of respondents, thus:

> WHEREFORE, premises considered, Our Decision dated 26 February 2004 is hereby MODIFIED in that complainant is declared entitled to $39,180.00 disability benefits, with five (5%) percent attorney's fees.
>
> SO ORDERED.[18]

This time, it was respondents' turn to move for reconsideration but same was denied by the NLRC for lack of merit in its Resolution[19] dated February 28, 2005.

Proceedings before the Court of Appeals

In their Petition for *Certiorari* and Prohibition with Prayer for Temporary Restraining Order (TRO) and/or Preliminary Injunction[20] before the CA, respondents averred that the NLRC committed grave abuse of discretion in granting petitioner disability benefits. They argued that the NLRC should not have relied on the certification of Dr. Caja as her evaluation was based solely on hearsay, it being unsupported by any examination done on petitioner. Also, since all medical tests and examinations were done by the company-designated physician, petitioner's physicians were not privies to his case from the beginning. Thus, both Drs. Vicaldo and Caja's findings were not adequate evidence of petitioner's loss of earning capacity due to ailment contracted during employment.

In a Resolution[21] dated July 4, 2005, the CA issued a TRO enjoining the NLRC from enforcing the following issuances: a) NLRC Decision dated February 26, 2004; b) NLRC Decision dated August 24, 2004; c) NLRC Resolution dated February 28, 2005; and d) Writ of Execution issued by the Labor Arbiter on May 31, 2005 in NLRC NCR OFW 01-11-2316-00. Thereafter, on September 28, 2005, a Writ of Preliminary Injunction was issued upon respondents' posting of a bond in the amount of P500,000.00.

The CA then rendered its Decision[22] on February 17, 2006. It found merit in the petition and ruled that the NLRC gravely abused its discretion in relying on the certification issued by Dr. Caja instead of the fit to work declaration of the company-designated physician who, under the POEA-SEC, is the one tasked to assess petitioner's medical condition for purposes of claiming disability compensation. Besides, the medical certificate of Dr. Caja cannot be considered as an accurate assessment of the illness contracted by petitioner during the course of his employment with respondents. It was based merely on the statements given to Dr. Caja by petitioner and same did not even provide for any justification for the rating given. Also, the certification was made 10 months from the date petitioner was declared fit to work and almost one year from the date of his repatriation. And the most notable of all, petitioner consulted Dr. Caja only once. With regard to the release and quitclaim, the CA upheld the same considering that it was voluntarily executed by petitioner and that the consideration for its issuance was not unconscionable and unreasonable. It ruled that respondents were already released from liability when petitioner was declared fit to return to work and after they paid him sickness allowance for which he even executed a quitclaim. Thus, the dispositive portion of the CA Decision states:

> **WHEREFORE**, the assailed Decisions dated February 26, 2004, and August 24, 2004, and the Resolution dated February 28, 2005 issued by the NLRC in NCR CA No. 034945-03 are **REVERSED AND SET ASIDE**. The Decision of the Labor Arbiter, dated January 21, 2003, dismissing private respondents' complaint is **REINSTATED**.
>
> **SO ORDERED**.[23]

Petitioner filed his Motion for Reconsideration[24] but same was denied by the CA in a Resolution[25] dated August 1, 2006.

Hence, this present petition.

Issues

Petitioner anchors his petition on the following assignment of errors:

> THE FINDINGS OF FACT OF THE HONORABLE COURT OF APPEALS DO NOT CONFORM TO THE EVIDENCE ON RECORD. MOREOVER, THERE WAS A MISAPPRECIATION AND/OR MISAPPREHENSION OF FACTS AND THE HONORABLE COURT FAILED TO NOTICE CERTAIN RELEVANT POINTS

WHICH IF CONSIDERED WOULD JUSTIFY A DIFFERENT CONCLUSION.

A. THE EVIDENCE ON RECORD SHOWS THAT MR. ISON IS ENTITLED TO AT LEAST A GRADE 3 DISABILITY OR US$39,180.00

B. THE COURT A QUO FAILED TO APPRECIATE THE EVIDENCE ON RECORD VIS-À-VIS SUPREME COURT DECISIONS THAT THE PETITIONER IS PERMANENTLY DISABLED (PTC DOCTRINE, CRYSTAL SHIPPING DOCTRINE).

THE CONCLUSION OF THE COURT OF APPEALS IS A FINDING BASED ON SPECULATION AND/OR SURMISE AND THE INFERENCES MADE WERE MANIFESTLY MISTAKEN. IT IS NOT BASED ON THE POEA CONRACT VIS-À-VIS DECISIONS OF THE SUPREME COURT.[26]

Petitioner asserts that the CA erred in failing to give evidentiary value to the medical report of his physician, Dr. Caja, arguing that the provisions of the POEA-SEC and the numerous rulings of this Court have established that the determination of the disability of a seaman is not limited to the company-designated physician.

Petitioner also avers that the quitclaim signed by him refers merely to his acceptance of the sickness allowance and minor benefits and does not effectively bar him from filing a complaint to recover disability benefits.

Our Ruling

The petition has no merit.

The medical reports of petitioner's physicians do not deserve any credence as against the fit to work assessment of the company-designated physician

Citing several jurisprudence, petitioner argues that the determination of disability rating is not left to the sole discretion of the company-designated physician. Hence, according to him, the two medical reports issued by his physicians may be admitted as proof that he is still suffering from the illness that brought about his repatriation and that same should be made the basis for his claim for total and permanent disability in the amount of $60,000.00 or at least $39,180.00, corresponding to Grade 3 disability rate in accordance with the POEA-SEC.

It is worthy to note that when petitioner executed an employment contract with respondents on July 21, 1999, it was the 1996 POEA-SEC, based on POEA Memorandum Circular No. 055-96,[27] that was applied, deemed written in and appended to his employment contract. Section 20(B) thereof states: