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SECOND DIVISION

[G.R. No. 172086, December 03, 2012]

CAREER PHILIPPINES SHIPMANAGEMENT, INC. AND/OR SAMPAGUITA MARAVE, AND SOCIETE ANONYME MONEGASQUE ADMINISTRATIO MARITIME FT. AERIENNEMONACO, PETITIONERS, VS. SALVADOR T. SERNA, RESPONDENT.

D E C I S I O N

BRION, J.:

Before the Court is a petition for review on *certiorari*[1] assailing the decision[2] and the resolution[3] of the Court of Appeals (*CA*) in CA-G.R. SP. No. 91237. The CA rulings affirmed the resolutions[4] of the National Labor Relations Commission (*NLRC*) in NLRC NCR CA No. 036944-03 on the award of disability benefits to respondent Salvador T. Serna. The NLRC resolutions in turn affirmed the labor arbiter's decision in NLRC OFW Case No. (M) 01-06-1064-00.[5]

Antecedent Facts

On October 20, 1998, Serna entered into a nine-month contract of employment with petitioners Career Philippines Shipmanagement, Inc. (*Career Phils.*) and Societe Anonyme Monegasque Administratio Maritime Ft. Aeriennemonaco (*Aeriennemonaco*). He was employed as a bosun for M/V Hyde Park, a chemical tanker, with a basic monthly salary of US$642.00. Serna was pronounced fit to work after the required pre-employment medical examination, and boarded the vessel on October 25, 1998.

Serna had worked for Career Phils. and its foreign principals since 1989, and he had always been hired to board chemical tankers. This was his third consecutive contract with Aeriennemonaco whose tankers transport chemicals such as methanol, phenol, ethanol, benzene, and caustic soda.

While on board *M/V Hyde Park,* Serna experienced weakness and shortness of breath. He lost much weight. On several occasions, he requested for medical attention, but his immediate superior, Captain Jyong, denied his requests since the tanker had a busy schedule.

Serna had no choice but to wait for his contract to finish on July 12, 1999. On July 14, 1999, upon his repatriation, he reported to the office of Career Phils. to communicate his physical complaints and to seek medical assistance. He was told that he would be referred to company-designated physicians.

On July 27, 1999, while waiting for the referral and with his condition worsening, Serna visited the University of Perpetual Health Medical Center (*UPHMC*). Dr. Cynthia V. Halili-Manabat diagnosed him to be suffering from toxic goiter, and

attended to him from July 27 to August 25, 1999.

On August 3, 1999, Serna received instructions from Career Phils. for him to report to the Seaman's Hospital for a pre-employment medical examination on August 5, 1999. The hospital's company-designated physicians diagnosed him with atrial fibrillation and declared him unfit to work.

In the meantime, he continued with his medical treatment at the UPHMC. A second personal physician, Dr. Edilberto C. Torres, concurred with the toxic goiter diagnosis.

Not fully aware of his rights, Serna sought legal assistance only in March 2001. On April 3, 2001, his counsel sent Career Phils. a written demand for the payment of disability benefits. Denial of the demand prompted him to file a complaint for disability benefits and damages on June 5, 2001.

On June 16, 2001, Serna underwent a medical examination at Supra Care Medical Specialists. Dr. Jocelyn Myra R. Caja stated that he has had a history of goiter with thyrotoxicosis since 1999, and further diagnosed him with thyrotoxic heart disease, chronic atrial fibrillation, and hypertensive cardiovascular disease. She gave him a disability rating of Grade 3 which under the parties' collective bargaining agreement (*CBA*)[6] – is classified as permanent medical unfitness that entitles the covered seafarer to a 100% compensation.

The Labor Arbitration Rulings

Serna alleged before the labor arbiter that he acquired his illness during his employment with the petitioners, and that the illness was work-related, considering the toxic chemicals regularly transported by the petitioners' tankers. He sought disability benefits pursuant to the *Philippine Overseas Employment Administration Standard Employment Contract Governing the Employment of Filipino Seafarers on Board Ocean-Going Vessels* (*POEA-SEC*) and the CBA that the petitioners had executed with TCCC-Amosup.[7]

The petitioners denied any liability. They emphasized that Serna's repatriation was due to a finished contract; that he performed all his duties under this contract without complaint of any illness; and that the *M/V Hyde Park* logbook did not contain any record that he had suffered or complained of any injury or illness on board the vessel. They presented the *Discharge Receipt and Release of Claim* he had executed to allegedly release them from all liabilities. They claimed that Serna failed to submit himself to a post-employment medical examination by a company-designated physician within three (3) working days from his return, contrary to the terms of the POEA-SEC. They added that in August 1999, Serna sought re-employment but had to be turned away as they had no vacancies. Eventually, on February 15, 2001, Serna tendered them a resignation letter, which the petitioners presented, wherein he asked for his personal documents with the petitioners as he would be seeking employment elsewhere.

Labor Arbiter Madjayran J. Ajan gave credence to Serna's version of events. As company-designated physicians did not issue Serna's impediment grade, the labor arbiter adopted the grading given by his personal physician. He ruled in this wise:

> Thus, considering that there was a showing that the illness of complainant was contracted during the term of his employment contract and such illness continues to exist, resulting to complainant's disability with a grade of 3, Complainant is therefore entitled to 100% compensation in the amount of US$60,000.00 under the reconciled provisions of the TCCC-AMOSUP CBA more particularly the Permanent Medical Unfitness provisions with that of the minimum terms of the POEA Standard Employment Contract.
>
> As to the issue of damages, this office finds the claim of complainant unmeritorious for failure to prove that there was malice, bad faith or fraud in respondents' acts of denying the claim for disability benefits.
>
> However, complainant is entitled to ten percent (10%) of the total award as and by way of attorney's fees.[8]

On the petitioners' appeal, the NLRC affirmed the labor arbiter's decision *in toto*.[9] The labor tribunal added that Serna's resignation letter cannot negate his right to disability benefits.[10] The petitioners moved for the reconsideration of the ruling, but their motion was denied. They elevated the case to the CA by way of a petition for *certiorari* under Rule 65 of the Rules of Court.

The CA Ruling

The CA affirmed the award of disability benefits but deleted the award of attorney's fees.[11] It presented several reasons for its ruling. First. The factual findings of the labor arbiter when affirmed by the NLRC are given great weight and respect when devoid of arbitrariness and supported by substantial evidence.[12] There is substantial evidence that Serna's illness occurred during the term of his employment. *Second*. Serna's *Discharge Receipt and Release of Claim* does not specifically include an express waiver of disability benefits. *Third.* While no company-designated physician examined Serna within the required period, this was excused by the petitioners' failure to designate the said physician to conduct the examination within the said period. *Fourth.* The attorney's fees must be deleted as the factual basis therefore was not discussed in the labor arbiter's and the NLRC's decisions.

The CA denied the petitioners' motion for reconsideration. Hence, the present petition for review under Rule 45 of the Rules of Court.

The Present Petition

In this petition, we are asked to consider the following question:

> *Does Section 20(B) of the POEA Standard Employment Contract, which is the governing law between the parties, grant disability benefits to a seafarer who was repatriated due to finished contract, and with no medical records onboard showing that he was ill at the time of disembarkation from the vessel nor was there any request from the*

seafarer within three (3) working days upon his return for post-employment medical examination?[13] (italics ours)

In the main, the petitioners assail the award of disability benefits to Serna on the ground of his alleged non-compliance with the mandatory reporting requirement of the POEA-SEC.[14] In addition, they insist that no substantial evidence exists (a) that Serna had acquired the illness during the employment contract, and (b) that his illness was work-related.[15]

The Court's Ruling

We affirm the ruling of the CA.

As the subject employment contract is dated October 20, 1998, the POEA-SEC prescribed by POEA Memorandum Circular No. 5541, series of 1996[16] (*1996 POEA-SEC*) and its related jurisprudence shall aid in our disposition.

The parameters of a Rule 45 appeal on the CA's decision in a labor case

The issues the petitioners raise unavoidably assail common factual findings of the labor arbiter, the NLRC, and the CA.

As a rule, only questions of law may be raised in a Rule 45 petition. In one case, we discussed the particular parameters of a Rule 45 appeal from the CA's Rule 65 decision on a labor case, as follows:

> In a Rule 45 review, we consider the correctness of the assailed CA decision, in contrast with the review for jurisdictional error that we undertake under Rule 65. Furthermore, Rule 45 limits us to the review of questions of law raised against the assailed CA decision. In ruling for legal correctness, we have to view the CA decision in the same context that the petition for *certiorari* it ruled upon was presented to it; **we have to examine the CA decision from the prism of whether it correctly determined the presence or absence of grave abuse of discretion in the NLRC decision before it, not on the basis of whether the NLRC decision on the merits of the case was correct**. In other words, we have to be keenly aware that the CA undertook a Rule 65 review, not a review on appeal, of the NLRC decision challenged before it.[17] (citations omitted; italics and emphasis supplied)

Accordingly, we do not re-examine conflicting evidence, re-evaluate the credibility of witnesses, or substitute the findings of fact of the NLRC, an administrative body that has expertise in its specialized field.[18] Nor do we substitute our "own judgment for that of the tribunal in determining where the weight of evidence lies or what evidence is credible."[19] The factual findings of the NLRC, when affirmed by the CA, are generally conclusive on this Court.[20]

Nevertheless, there are exceptional cases where we, in the exercise of our discretionary appellate jurisdiction, *may* be urged to look into factual issues raised in a Rule 45 petition. For instance, when the petitioner *persuasively* alleges that there is insufficient or insubstantial evidence on record to support the factual findings of the tribunal or court *a quo*,[21] as Section 5, Rule 133 of the Rules of Court states in express terms that in cases filed before administrative or quasi-judicial bodies, a fact may be deemed established only if supported by substantial evidence.[22]

The petition specifically questions two factual findings made below: *First*, that Serna's illness was acquired during the term of his employment contract; and *second*, that he duly presented himself to Career Phils. for a post-employment medical examination.[23]

Work-relatedness of illness is irrelevant to the 1996 POEA-SEC

We dismiss at the outset the petitioners' contention on the causal connection between Serna's illness and the work for which he was contracted. In support, they cite "The World Book Illustrated Home Medical Encyclopedia," particularly its 1984 Revised Print, in stating that the causes of toxic goiter or thyrotoxicosis are unknown.[24]

The causal connection the petitioners cite is a factual question that we cannot touch in Rule 45.[25] The factual question is also irrelevant to the 1996 POEA-SEC. In *Remigio v. National Labor Relations Commission*,[26] we expressly declared that illnesses need not be shown to be work-related to be compensable under the 1996 POEA-SEC, which covers all injuries or illnesses occurring in the lifetime of the employment contract. We contrast this with the 2000 POEA-SEC[27] which lists the compensable occupational diseases. Even granting that work-relatedness may be considered in this case, we fail to see, too, how the idiopathic character of toxic goiter and/or thyrotoxicosis excuses the petitioners, since it does not negate the probability, indeed the *possibility*, that Serna's toxic goiter was caused by the undisputed work conditions in the petitioners' chemical tankers.

Substantial evidence exists that Serna acquired his illness during his employment

Under the 1996 POEA-SEC, it is enough that the seafarer proves that his or her injury or illness was acquired during the term of employment to support a claim for disability benefits.[28] The petitioners claim that there is no substantial evidence on this point.

We do not find this claim to be persuasive.

In support of this point, Serna attached the following to his complaint: (a) the October 1998 contract; (b) the medical certificate issued by Dr. Manabat; (c) the medical certificate issued by Dr. Torres; (d) the August 5, 1999 Seaman's Hospital Pre-Employment Medical Examination; and (e) the medical certificate issued by Dr. Caja. We find it significant that Serna was declared fit to work in the pre-