

TENTH DIVISION

[CA-G.R. SP NO. 128493, January 06, 2015]

PHILIPPINE TRANSMARINE CARRIERS INC., UNIBROS SHIPPING CORP. AND/OR CARLOS SALINAS, PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION (THIRD DIVISION), SANTIAGO J. VILLASIN, RESPONDENTS.

D E C I S I O N

ANTONIO-VALENZUELA, J.:

This is the Petition for Certiorari^[1] filed by Philippine Transmarine Carriers, Inc. ("petitioner Philippine Transmarine"), Unibros Shipping Corporation ("petitioner Unibros Shipping") and/or Carlos Salinas ("petitioner Salinas"), imputing grave abuse of discretion amounting to lack of jurisdiction on the part of the National Labor Relations Commission ("NLRC") in issuing the following: (1) Decision dated 15 October 2012;^[2] and (2) Resolution dated 28 November 2012.^[3]

The facts are as follows: Santiago J. Villasin ("private respondent Villasin") filed the Complaint,^[4] before the Labor Arbiter for payment of disability benefits, sickness allowance, exemplary damages, moral damages, and attorney's fees, against petitioners.

Private respondent Villasin's Position Paper^[5] alleged: petitioners employed private respondent Villasin as Able Seaman on board the M/V Asprey, with a salary of US\$558 per month, for a period of nine months, and petitioner Emmanuel boarded the vessel on 9 June 2010; on 7 April 2011, private respondent Villasin disembarked from the M/V Asprey in Las Palmas, and on the same day, he was required to board M/T Aurelia also in Las Palmas, on 25 April 2011, private respondent Villasin, while moving a heavy load in the engine room of the M/T Aurelia, was outbalanced and accidentally hit his head on the railings; after the incident, private respondent Villasin experienced a terrible headache and chest pains; private respondent Villasin reported the incident to his supervisor and medical officer, and the medical officer gave him several analgesics, which gave no relief; on 27 April 2011, Capt. Rodel F. Valdoz issued the Medical Report^[6] stating that private respondent suffered "head contusion due to fall," and Valdoz referred private respondent Villasin to a physician; on 27 April 2011, private respondent Villasin was brought to the Clinica Perpetuo Socorro in Las Palmas, where he was confined for two days, and was diagnosed to be suffering from "*hematoma subdural traumatico*" ("traumatic subdural hematoma"), per the *Informe Alta*^[7] issued by Dr. Carlos Alberto Valenzia Maldonado; due to private respondent Villasin's bad condition, he was advised to be repatriated for further evaluation, and private respondent Villasin disembarked from the vessel on 10 June 2011 in Tunisia, and arrived in the Philippines on 11 June 2011; on 12 June 2011, private respondent Villasin reported to the local agency for a medical referral, however he was not referred to the company physician, so on the

same day, private respondent Villasin consulted Dr. Donald S. Camero, an internist of the Cavite Asthazone Clinic; Dr. Camero prescribed medicines and therapeutic rehabilitation, and after rigid examination, Dr. Camero diagnosed private respondent Villasin to be suffering from bronchial asthma, essential hypertension, hearing loss of both ears, severe complex cerebral function disturbance, severe residual disorders; on 20 July 2011, private respondent Villasin consulted another physician, Dr. Jose A. Malanyaon, EENT Specialist of Jose R. Reyes Memorial Medical Center, and after several medical examinations, Dr. Malanyaon issued the Medical Certificate dated 5 September 2011,^[8] and assessed the private respondent Villasing to be suffering from work-related total hearing loss of both ears, and a head injury due to an accident, and Dr. Malanyaon categorized the injury as "POEA Diasability Grade I for Total Hearing Loss;" private respondent Villasin filed the case before the Labor Arbiter, claiming permanent disability benefits, sickness allowance, moral and exemplary damages, and attorney's fees against petitioners.

The petitioners' Position Paper^[9] countered: private respondent Villasin was employed as Able Seaman by petitioner Philippine Transmarine, on behalf of its principal, petitioner Unibros Shipping; on 4 June 2010, private respondent Villasin signed a contract with petitioners under which he was hired as Able Seaman on board the vessel M/V Asprey, under a nine month, POEA-approved employment contract; private respondent Villasin boarded the vessel M/V Asprey on 9 June 2010; on 7 April 2011, the M/V Asprey was sold to new owners and was re-named M/T Aurelia; all the crew with existing contracts, including private respondent Villasin, agreed to continue their contracts under the new owners; on 10 June 2011, private respondent Villasin signed off due to completed contract; private respondent Villasin made no medical claim during the exit interview, and did not demand post-employment medical examination; about six months after private respondent Villasin disembarked from the vessel MT Aurelia, private respondent Villasin filed the case.

On 7 March 2012, the Labor Arbiter issued the Decision,^[10] which dismissed the complaint for lack of merit.

Private respondent Villasin appealed the Labor Arbiter's Decision to the NLRC. On 15 October 2012, the NLRC issued the assailed Decision,^[11] with the following dispositive portion:

WHEREFORE, complainant-appellant's appeal is GRANTED. The decision of the Labor Arbiter dated March 7, 2012 is VACATED and SET ASIDE. Respondents-appellees Philippine Transmarine Carriers Inc., and/or Unibros Shipping Corporation are ordered jointly and severally to pay complainant-appellant Santiago J. Villasin the amount of US\$60,000.00 or its Philippine peso equivalent at the time of actual payment, as total permanent disability benefits and ten percent (10%) thereof as and for attorney's fees.

SO ORDERED.

Petitioners filed the Motion for Reconsideration.^[12] The NLRC denied petitioners' Motion for Reconsideration in the assailed Resolution^[13] dated 28 November 2012.

Petitioners file this Petition for Certiorari,^[14] assigning a lone error, thus:

THE FINDINGS OF PUBLIC RESPONDENT NLRC IS INCONSISTENT WITH THE EVIDENCE ON RECORD AND WITH THE APPLICABLE JURISPRUDENCE.

The issue is whether the NLRC committed grave abuse of discretion when it set aside the Decision of the Labor Arbiter, and granted private respondent Villasin permanent disability benefits, and attorney's fees.

The Petition for Certiorari argues in the affirmative. The NLRC committed grave abuse of discretion when it granted private respondent Villasin permanent disability benefits and attorney's fees.

The Petition thrusts: the facts and the evidence did not support the resolution of the NLRC; it was uncontroverted that private respondent Villasin completed his employment contract without any illness or any injury that would have caused the alleged disability; there was no evidence of any medical report/consultation during his term of employment from 9 June 2010 until 7 April 2011, and neither was private respondent Villasin involved in any accident on board the subject vessel; the disability benefits awarded by the NLRC had no basis, because the NLRC ruled on the basis of a medical report dated 27 April 2011 which private respondent Villasin belatedly submitted, and this medical report did not prove the disability claim; the medical report dated 27 April 2011 stated that private respondent Villasin had a head contusion, however there was no supporting/ confirmatory laboratory tests to prove any major injury on account of the alleged head bruise; the disability report dated 5 September 2011 issued by Dr. Jose Malanyaon, submitted by the private respondent Villasin, did not prove that private respondent Villasin received or required extensive medical treatment for the alleged head injury, and the disability report did not make any reference to objective audiometry tests to support the finding of total hearing loss; private respondent Villasin signed off on 7 April 2011 due to a completed contract, and during the exit interview, private respondent Villasin made no medical claim, and on the contrary, private respondent Villasin signified his intention to re-apply for employment; private respondent Villasin failed to comply with the three-day mandatory requirement for post-employment medical examination, and such non-compliance was a fatal mistake and constituted a waiver of his right to claim disability benefits under the amended POEA contract; petitioner Unibros Shipping was no longer the owner of the subject vessel and was not the employer of private respondent Villasin, and considering further that the disability case was grounded on employment contract, petitioner Unibros Shipping must be dropped from this case; petitioner Carlos Salinas must also be dropped from this case, because the Complaint did not allege matters which would hold petitioner Salinas personally liable for the claim of private respondent Villasin, and the NLRC did not make any finding of bad faith on the part of petitioner Salinas; the award of attorney's fees must be deleted absent clear showing that petitioners were guilty of bad faith.

The private respondent Villasin's Comment (With Opposition to Prayer for TRO and/or Writ of Preliminary Injunction)^[15] argues in the negative. The NLRC did not commit grave abuse of discretion when it granted private respondent Villasin disability benefits and attorney's fees.

The Comment parries: the NLRC did not commit grave abuse of discretion in issuing the assailed Decision; substantial evidence proved that private respondent Villasin suffered serious head injury during his employment contract with petitioners (i.e., record showed that on 25 April 2011 on board the vessel, private respondent Villasin accidentally fell, and hit his head, and that he was brought to the hospital where he was diagnosed with traumatic subdural hematoma); private respondent Villasin reported to the office of the petitioner's manning agency in compliance with the three-day post employment, however he was told that since he was repatriated due to a finished contract, there was no reason to refer him to a physician, constraining private respondent Villasin to consult on his own a physician, and to shoulder the costs of medical examination and treatment; the fact that private respondent Villasin was repatriated due to a finished contract should not militate against his claim for disability benefits; private respondent Villasin was entitled to his claim for full disability benefits and to attorney's fees; medical evidence and jurisprudence state that private respondent Villasin's condition is permanent and total because the inability of a seafarer to perform his customary work for more than 120 days constitutes total and permanent disability; petitioners Unibros Shipping and Carlos Salinas should not be dropped as parties in this case (i.e., petitioner Unibros Shipping failed to substantiate its allegation that it was no longer the owner of the vessel where private respondent Villasin suffered his head injury; the original employment of private respondent Villasin with petitioner Philippine Transmarine as local manning agent, for and in behalf of foreign principal, petitioner Unibros Shipping, was extended and has never been substituted by any other contract of employment with another employment).

The Memorandum^[16] filed by private respondent Villasin reiterates the averments in the Comment. Memorandum for the Petitioners^[17] reiterates the averments in the Petition for Certiorari.

THE COURT'S RULING:

The Court rules in the negative. The NLRC did not commit grave abuse of discretion when it set aside the Decision of the Labor Arbiter. Petitioners are liable to private respondent Villasin for permanent total disability benefits and attorney's fees.

In certiorari proceedings under Rule 65 of the Rules of Court, the appellate court does not assess and weigh the sufficiency of evidence upon which the Labor Arbiter and the NLRC based their conclusion. The query in this proceeding is limited to the determination of whether or not the NLRC acted without or in excess of its jurisdiction or with grave abuse of discretion in rendering its decision.^[18]

Entitlement of seamen on overseas work to disability benefits is a matter governed, not only by medical findings, but by law and by contract. The material statutory provisions are Articles 191 to 193 under Chapter VI (Disability Benefits) of the Labor Code, in relation with Rule X of the Rules and Regulations Implementing Book IV of the Labor Code. By contract, the POEA-SEC, as provided under Department Order No. 4, series of 2000 of the Department of Labor and Employment, and the parties' Collective Bargaining Agreement (CBA) bind the seaman and his employer to each other.^[19]

Deemed incorporated in every Filipino seafarer's contract of employment, denominated as the Philippine Overseas Employment Administration-Standard Employment Contract ("POEA-SEC") is a set of standard provisions established and implemented by the POEA, called the Amended Standard Terms and Conditions Governing the Employment of Filipino Seafarers on Board Ocean-Going Vessels, which contain the minimum requirements prescribed by the government for the employment of Filipino seafarers. Section 20(A), paragraph 6, of the 2000 POEA SEC is relevant. It reads:

SECTION 20. COMPENSATION AND BENEFITS

A. COMPENSATION AND BENEFITS FOR INJURY OR ILLNESS The liabilities of the employer when the seafarer suffers work-related injury or illness during the term of his contract are as follows:

x x x

6. In case of permanent total or partial disability of the seafarer caused by either injury or illness the seafarer shall be compensated in accordance with the schedule of benefits enumerated in Section 32 of this Contract. Computation of his benefits arising from an illness or disease shall be governed by the rates and the rules of compensation applicable at the time the illness or disease was contracted.

Under Section 20(B), paragraph 6, of the 2000 POEA SEC above-quoted, two elements must concur for an injury or illness to be compensable. First, that the injury or illness must be work-related; and second, that the work-related injury or illness must have existed during the term of the seafarer's employment contract.^[20] Notably, these two elements must both be proved, in order that a disability may be compensable. What is required is the presence of two elements. Any one of the two elements standing alone, would not justify a disability award. In other words, to be entitled to compensation and benefits under this provision, it is not sufficient to establish that the seafarer's illness or injury has rendered him permanently or partially disabled; it must also be shown that there is a causal connection between the seafarer's illness or injury and the work for which he had been contracted.^[21]

Settled is the rule that for illness to be compensable, it is not necessary that the nature of the employment be the sole and only reason for the illness to be suffered by the seafarer. It is sufficient that there is a reasonable linkage between the disease suffered by the employee in 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.^[22]

As found by the NLRC, private respondent Villasin was diagnosed with severe hearing loss of both ears, and severe complex cerebral function disturbance, and because of these illnesses, private respondent Villasin could no longer perform the duties for which he was trained, and can no longer obtain gainful employment.

The first element of a compensable illness was present. The illness hearing loss of both ears, and complex cerebral function disturbance were work-related.

The disputable presumption of compensability worked in favor of private respondent