Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

APQ SHIPMANAGEMENT CO., LTD., and APQ CREW MANAGEMENT USA, INC., Petitioners,	**G.R. No. 197303**
	Present:
	VELASCO, JR., *J., Chairperson*, PERALTA, VILLARAMA, JR.,* MENDOZA, and LEONEN, *JJ.*
- versus -	
	Promulgated:
ANGELITO L. CASEÑAS, Respondent.	**June 4, 2014**

X ---------- X

DECISION

MENDOZA, *J.*:

This petition for review on *certiorari* under Rule 45 of the Rules of Court seeks to review, reverse and set aside the January 24, 2011 Decision[1] and the June 1, 2011 Resolution[2] of the Court of Appeals *(CA)*, in CA-G.R. SP No. 112997, which annulled and set aside the October 14, 2009 Decision of the National Labor Relations Commission *(NLRC)* in NLRC LAC No. 04-000220-09, where respondent Angelito L. Caseñas *(Caseñas)* was seeking disability and other benefits against petitioner APQ Shipmanagement Co., Ltd. *(APQ)* and petitioner-principal APQ Crew Management USA, Inc. *(Crew Management)*.[3]

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* Designated Acting Member in view of the vacancy in the Third Division, per Special Order No. 1691 dated May 22, 2014.

[1] Penned by Associate Justice Franchito N. Diamante, with Associate Justices Josefina Guevara-Salonga and Mariflor P. Punzalan Castillo, concurring; *rollo*, pp. 44-58.

[2] Id. at 60-61.

[3] Letterhead indicates "Crewlink Management, USA, Inc."; id. at 78.

It appears from the records that in June 2004, Casenas was hired by APQ, acting for and in behalf of its principal, Crew Management, as Chief Mate for vessel MV Perseverance for a period of eight (8) months starting from June 16, 2004 to February 16, 2005, with a basic monthly salary of US$840.00, for forty-eight (48) hours a week, with US$329.00 as overtime pay.

In his Position Paper,[4] Casenas further alleged that on June 16, 2004, he left Manila to join his assigned vessel in Miami, Florida, USA, though the vessel could not leave the Florida port because of its incomplete documents for operation; that consequently, he was transferred to another vessel, MV HAITIEN PRIDE, which was in Haiti, although again because of incomplete documents, the vessel could not leave the port and remained at Cap Haitien; that together with the rest of the vessel's officers and crew, he was left to fend for himself; that they were not provided food and water and had to fish for their own food and were not paid their salaries; that he suffered extreme stress and anxiety because of the uncertainty of the situation; that his employment contract was extended by APQ from the original eight (8) months to twenty-six (26) months; that the vessel eventually left for Bahamas; that he felt he became weaker and got tired easily; that despite his unpaid wages and weakened condition, he performed his duties as Chief Mate diligently; that in August 2006, he began to suffer shortness of breath, headache and chest pains; that he was then brought to the Grand Bahamas Health Services and was diagnosed with *hypertension* and was given medicines; that he was then repatriated due to his condition and he arrived in the Philippines on August 30, 2006; that within three (3) days thereafter, he reported to APQ for post-employment medical examination where the company-designated physician later diagnosed him with *Ischemic Heart Disease*; that a certain Dr. Ariel G. Domingo likewise examined him, confirming and certifying that he was suffering from Essential Hypertension and Ischemic Heart Disease; that he was declared "unfit for sea service"; that as a result, he was not able to work for more than 120 days from his repatriation; that another medical examination was conducted by Dr. Lina R. Cero, showing that he was suffering from Essential Hypertension with Cariomegally Ischemic Heart Disease and Indirect Inguinal Hernia Right; that he was then advised to take his maintenance medications for life; that APQ refused to provide him further medical attention, thus, he incurred medical expenses in the amount of □6,390.00 by November 2006; that he demanded payment of permanent total disability benefits, sickness allowance and medical expenses to which he was entitled under the POEA Standard Employment Contract *(POEA-SEC)*, but APQ refused to pay; that he, together with other crew members, sent a series of letters and e-mails to the representatives of the shipowners regarding their unpaid wages, but despite efforts, APQ still refused to pay their salaries; that demands for

[4] Id. at 100-120.

payment were also made to the president of APQ, but the same were refused; and that ultimately, he was compelled to seek redress and filed a complaint for permanent total disability benefits, reimbursement of medical expenses, sickness allowance, non-payment of salaries representing the extended portion of the employment contract, damages, and attorney's fees.

APQ, on the other hand, alleged in its Position Paper[5] that upon expiration of the contract, Caseñas refused to return to the Philippines until he finally did on August 30, 2006;[6] that thereafter, Caseñas demanded payment of his wages, overtime and vacation pay for the alleged extended portion of the contract; that it could not be held liable for claims pertaining to the extended portion of the contract for it did not consent to it; that, in fact, as early as January 2005, it had been making arrangements, through American Airlines/American Eagle, for Caseñas' repatriation at the end of his contract in February 2005; that Caseñas was fully paid of his wages and other benefits for the duration of his 8-month contract; and that Caseñas suffered illness after the expiration of the contract, hence, it could not be made liable to pay him any benefits for his injury/illness.[7]

Caseñas, however, disputed the position of APQ, claiming that his contract of employment was duly extended.[8] He denied that APQ had been making arrangements for his repatriation as early as January 2005. To prove that his contract was extended, he submitted the following documents:

1. Deck Logbook, dated 14 August 2006;
2. Report of Mr. Steve Mastroropolous, dated 16 May 2006;
3. Letter, dated 24 April 2006 of Mr. Alex P. Quillope, President of the respondent APQ to OWWA, admitting that there was no food and water for the crew of MV "HAITIEN PRIDE."[9]

APQ countered that the abovementioned documents did not prove mutual consent of the parties as provided in Caseñas' employment contract. His contract expired on August 1, 2005 and, thus, he had no legal basis to claim any salary after the said period.[10] Caseñas became ill in August 2006 or more than one (1) year after the expiration of his employment contract.[11]

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[5] Id. at 319-321.
[6] Id.
[7] LA Decision, *rollo*, pp.139-141.
[8] LA Decision, id. at 139-140.
[9] LA Decision, id. at 140.
[10] Id.
[11] Id. at 141.

Labor Arbiter Decision

On November 20, 2008, the Labor Arbiter *(LA)* rendered the Decision[12] dismissing Caseñas' complaint. He was of the view that the employment contract was not extended pursuant to the terms and conditions of the contract. Caseñas failed to prove mutual consent of the parties to the extension of the contract. He rendered services on MV Haitien Pride from August 1, 2005 to April 30, 2006, after the expiration of his contract with APQ on board the vessel MV Perseverance on February 15, 2005.

The LA pointed out that the illness/disease suffered by Caseñas was sustained while serving on board MV Cap Haitien Pride, which was outside the period of his contractual employment. Thus, Caseñas' claims could not be awarded.

NLRC Resolution

On June 22, 2009, the NLRC resolved the appeal by *reversing* and *setting aside* the LA decision. Based on the records, it found that the employment contract was extended. The illness, Essential Hypertension, suffered by Caseñas was a compensable disease under Section 32-A, No. 20 of the POEA-SEC. Hence, NLRC ruled that Caseñas was entitled to his claims because the illness was sustained within the duration of his employment contract.

On October 14, 2009, the NLRC, acting on the motion for reconsideration filed by APQ, *reconsidered* and *set aside* the June 22, 2009 NLRC Resolution. It explained that the documentary evidence presented only proved the extension of contract but not the consent given to it by APQ. Caseñas failed to present the new contract duly signed by APQ or Crew Management, or any proof that they consented to the extension. The NLRC explained that Caseñas directly dealt with the shipowner to the exclusion of APQ and Crew Management, hence, his recourse was against the shipowner. Thus, APQ could not be held liable for the unpaid salaries, as well as the permanent disability benefits, because these were claims that accrued after the expiration of the employment contract.

[12] Id. at 134-145.

Caseñas moved for a reconsideration, but the NLRC denied his motion in its Resolution, dated November 27, 2009.

CA Decision

Caseñas filed a petition for *certiorari* under Rule 65 before the CA, assailing the October 14, 2009 decision and the November 27, 2009 resolution of the NLRC. On January 24, 2011, the CA granted the petition and nullified and set aside the questioned NLRC decision and resolution. The CA *reinstated* the earlier June 22, 2009 NLRC Resolution. In so ruling, the CA cited the case of *Placewell International Services Corporation v. Camote*,[13] where it was written:

> xxx a subsequently executed side agreement of an overseas contract worker with the foreign employer is void, simply because it is against our existing laws, morals and public policy. The subsequent agreement cannot supersede the terms of the standard employment contract approved by the POEA. Assuming *arguendo* that petitioner entered into an agreement with the foreign principal for an extension of his contract of employment, *sans* approval by the POEA, the contract that governs petitioner's employment is still the POEA-SEC until his repatriation. As far as Philippine law is concerned, petitioner's contract of employment with respondents was concluded only at the time of his repatriation on August 30, 2006.

Further, the CA explained that a declaration from the company-designated physician as to the fitness or unfitness of a seafarer to continue his sea-duties is sanctioned by Section 20(B)(3) of the POEA-SEC. There being no declaration made by the company-designated physician within the 120-day period as to the fitness of Caseñas, the CA opined that he was undoubtedly entitled to disability benefits.

APQ filed a motion for reconsideration, while Caseñas filed his Comment/Opposition. On June 1, 2011, the CA denied the motion for lack of merit.

Hence, this petition.

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[13] 525 Phil. 817 (2006).

GROUNDS

THE HONORABLE COURT OF APPEALS ERRED IN REVERSING AND SETTING ASIDE THE DECISION AND RESOLUTION OF THE NLRC DATED 14 OCTOBER 2009 AND 27 NOVEMBER 2009, AND REINSTATING THE NLRC'S RESOLUTION DATED 22 JUNE 2009, CONSIDERING THAT:

A. PRIVATE RESPONDENT'S CONTRACT OF EMPLOYMENT WAS NEVER EXTENDED BY THE COMPANY NOR BY THE PRINCIPAL

B. PRIVATE RESPONDENT'S CLAIM FOR DISABILITY BENEFITS, SICKNESS ALLOWANCE AND UNPAID WAGES ALL ACCRUED AFTER THE EXPIRATION OF THE CONTRACT OF EMPLOYMENT[14]

The pivotal issue for resolution is whether or not the employment contract of Caseñas was extended with the consent of APQ/Crew Management.

The Court rules in the affirmative.

At the outset, it is to be emphasized that the Court is not a trier of facts and, thus, its jurisdiction is limited only to reviewing errors of law. The rule, however, admits of certain exceptions, one of which is where the findings of fact of the lower tribunals and the appellate court are contradictory. Such is the case here. Thus, the Court is constrained to review and resolve the factual issue in order to settle the controversy.

Employment contracts of seafarers on board foreign ocean-going vessels are not ordinary contracts. They are regulated and an imprimatur by the State is necessary. While the seafarer and his employer are governed by their mutual agreement, the POEA Rules and Regulations require that the POEA-SEC be integrated in every seafarer's contract.[15] In this case, there is no dispute that Caseñas' employment contract was duly approved by the POEA and that it incorporated the provisions of the POEA-SEC.

As earlier stated, the controversy started when Caseñas claimed sickness and disability benefits as well as unpaid wages from the petitioners upon his return to the Philippines. The petitioners, on the other hand, refused

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[14] *Rollo*, p. 25.
[15] *Inter-Orient Maritime, Incorporated v. Candava*, G.R. No. 201251, June 26, 2013, 700 SCRA 174.

to pay, arguing that Caseñas' sickness was contracted after his employment contract expired.

Regarding the issue of extension and its corresponding consequences, two cases were cited by the parties in their pleadings. The first was *Sunace International Management Services, Inc. v. NLRC*[16] *(Sunace)* and the second was *Placewell International Services Corporation v. Camote*[17] *(Placewell).*

In *Sunace*, the Court ruled that the theory of imputed knowledge ascribed the knowledge of the agent to the principal, not the other way around. The knowledge of the principal-foreign employer could not, therefore, be imputed to its agent. As there was no substantial proof that Sunace knew of, and consented to be bound under, the 2-year employment contract extension, it could not be said to be privy thereto. As such, it and its owner were not held solidarily liable for any of the complainant's claims arising from the 2-year employment extension.[18]

In *Placewell*, the Court concluded that the original POEA-approved employment contract subsisted and, thus, the solidary liability of the agent with the principal continued. It ruled that:

> R.A. No. 8042 explicitly prohibits the substitution or alteration to the prejudice of the worker, of employment contracts already approved and verified by the Department of Labor and Employment (DOLE) from the time of actual signing thereof by the parties up to and including the period of the expiration of the same without the approval of the DOLE. Thus, we held in *Chavez v. Bonto-Perez*,[19] that the subsequently executed side agreement of an overseas contract worker with her foreign employer which reduced her salary below the amount approved by the POEA is void because it is against our existing laws, morals and public policy. The said side agreement cannot supersede her standard employment contract approved by the POEA.
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> Moreover, we find that there was no proper dismissal of respondent by SAAD; the "termination" of respondent was clearly a ploy to pressure him to agree to a lower wage rate for continued employment. Thus, the original POEA-approved employment contract of respondent subsists despite the so-called new agreement with SAAD. Consequently, the solidary liability of petitioner with SAAD for respondent's money claims continues in accordance with Section 10 of R.A. 8042.[20]

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[16] 515 Phil. 779 (2006).
[17] 525 Phil. 817 (2006).
[18] Supra note 16, at 787.
[19] 312 Phil. 88 (1995).
[20] Supra note 17, at 822-823.

APQ's primary argument revolves around the fact of expiration of Caseñas' employment contract, which it claims was not extended as it was without its consent. While the contract stated that any extension must be made by mutual consent of the parties, it, however, incorporated Department Order *(DO)* No. 4 and Memorandum Circular No. 09, both series of 2000, which provided for the Standard Terms and Conditions Governing the Employment of Filipino Seafarers on Board Ocean Going Vessels. Sections 2 and 18 thereof provide:

> **SECTION 2. COMMENCEMENT/ DURATION OF CONTRACT**
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> **A.** The Employment contract between the employer and the seafarer shall commence upon actual departure of the seafarer from the airport or seaport in the point of hire and with a POEA approved contract. **It shall be effective until the seafarer's date of arrival at the point of hire upon termination of his employment pursuant to Section 18 of this Contract.**
>
> **B.** The period of employment shall be for a period mutually agreed upon by the seafarer and the employer but not to exceed 12 months. Any extension of the contract shall be subject to the mutual consent of both parties.
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> x x x
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> **SECTION 18. TERMINATION OF EMPLOYMENT**
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> **A.** The employment of the seafarer shall cease when the seafarer **completes his period of contractual service aboard the vessel, signs off from the vessel and arrives at the point of hire.**
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> **B.** The employment of the seafarer is also terminated when the seafarer arrives at the point of hire for any of the following reasons:
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> 1. When the seafarer signs off and is disembarked for medical reasons pursuant to Section 20 (B)[5] of this Contract.
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> x x x
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> [Emphases supplied]

It is to be observed that both provisions require the seafarer to *arrive at the point of hire* as it signifies the completion of the employment contract, and not merely its expiration. Similarly, a seafarer's employment contract is

terminated even before the contract expires as soon as he *arrives at the point of hire* and signs off for medical reasons, due to shipwreck, voluntary resignation or for other just causes. In a nutshell, there are three (3) requirements necessary for the complete termination of the employment contract: **1]** termination due to expiration or other reasons/causes; **2]** signing off from the vessel; and **3]** arrival at the point of hire.

In this case, there was no clear showing that Caseñas signed off from the vessel upon the expiration of his employment contract, which was in February or April 2005. He did not arrive either in Manila, his point of hire, because he was still on board the vessel MV Haitien Pride on the supposed date of expiration of his contract. It was only on August 14, 2006 that he signed off[21] from MV Haitien Pride and arrived in Manila on August 30, 2006.

In *Interorient Maritime Enterprises, Inc. v. NLRC*,[22] the Court held that the obligations and liabilities of the local agency and its foreign principal do not end upon the expiration of the contracted period as they were **duty bound to repatriate the seaman to the point of hire to effectively terminate the contract of employment**.[23]

APQ avers that Caseñas transferred from MV Perseverance to MV Haitien Pride, which was not the ship specifically mentioned in his contract. Section 15 of the POEA-SEC guides the Court on this. It reads:

> *Section 15. Transfer Clause* – The seafarer agrees to be transferred at any port to any vessel **owned or operated, manned or managed by the same employer**, provided it is **accredited to the same manning agent** and provided further that the position of the seafarer and the rate of his wages and terms of services are in no way inferior and the total period of employment shall not exceed that originally agreed upon.
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> Any form of transfer shall be documented and made available when necessary.

APQ did not argue that MV Haitien Pride was not operated or managed by Crew Management. It did not claim either that said vessel was not accredited by it. The logical conclusion, therefore, is that MV Haitien Pride was operated/managed by Crew Management and accredited by APQ. Thus, Caseñas' transfer should have been documented and made part of its records for future purposes, but no documentation has been shown.

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[21] *Rollo*, p. 316.
[22] 330 Phil. 493 (1996).
[23] Id. at 508-509.

Even assuming *arguendo* that MV Haitien Pride was not related in any way with either Crew Management or APQ, it is with more reason that the transfer should have been properly documented pursuant to the above provision because it necessitated the termination of his employment contract and his repatriation to the Philippines, pursuant to Section 26(A) of the POEA-SEC. The said provision specifically provides that:

> *Section 26. Change of Principal.*
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> A. When there is change of principal of the vessel necessitating the termination of employment of the seafarer before the date indicated in the Contract, the seafarer shall be entitled to earned wages, repatriation at employer's expense and one month basic pay as termination pay.
>
> B. If by mutual agreement, the seafarer continues his service on board the same vessel, such service shall be treated as a new contract. The seafarer shall be entitled to earned wages only.
>
> C. In case arrangement has been made for the seafarer to join another vessel to complete his contract, the seafarer shall be entitled to basic wage until the date joining the other vessel.

Meanwhile, Caseñas claimed that his transfer was due to the fact that MV Perseverance could not leave port because of incomplete documents for its operation. This was not disputed. To the mind of the Court, having incomplete documents for the vessel's operation renders it unseaworthy. While seaworthiness is commonly equated with the physical aspect and condition of the vessel for voyage as its ability to withstand the rigors of the sea, it must not be forgotten that a vessel should be armed with the necessary documents required by the maritime rules and regulations, both local and international. It has been written that vessel seaworthiness further extends to cover the documents required to ensure that the vessel can enter and leave ports without problems.[24]

Accordingly, Caseñas' contract should have been terminated and he should have been repatriated to the Philippines because a seafarer cannot be forced to sail with an unseaworthy vessel, pursuant to Section 24 of the POEA-SEC.[25] There was, however, no showing that his contract was terminated by reason of such transfer. It is necessary to reiterate that MV

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[24] Kassem, Ahmad Hussam, *The Legal Aspects of Seaworthiness: Current Law and Development*, London. Retrieved from <discovery.ucl.ac.uk/6988/1/6988.pdf> (Visited March 3, 2014).

[25] Section 24. *Termination Due to Unseaworthiness.* – A. If the vessel is declared unseaworthy by a classification society, port state or flag state, the seafarer shall not be forced to sail with the vessel.
B. If the vessel's unseaworthiness necessitates the termination of employment before the date indicated in the Contract, the seafarer shall be entitled to earned wages, repatriation at cost to the employer and termination pay equivalent to one (1) month basic wage.

Haitien Pride appears to be manned by, and accredited with, the same principal/ agency. His joining the said vessel could only mean that it was for the purpose of completing his contract as the transfer was made well within the period of his employment contract on board MV Perseverance.

APQ further claims that that there was an agreement between Caseñas and the shipowner, but there was no concrete proof adduced to show that indeed a new agreement for the extension of the contract was ever made. Granting that a new agreement for the extension was made, the acts of APQ and Crew Management proved that there was implied consent to the extension.

APQ attempts to impress upon the Court that Caseñas' contract already expired and that he had a new employer during the alleged extension of the contract by relying on the December 16, 2005 Letter of the POEA. APQ alleged in its Memorandum[26] that:

> In a letter dated 16 December 2005 letter, the POEA confirmed that the Contract expired on April 2005 but *he was not allowed repatriation by the owner of the Vessel, his new employer* [See Annex "6" of Comment attached as Annex "z" of this Petition.]

A perusal of the said letter, however, discloses that nowhere was it stated that Caseñas was allowed repatriation by the owner of the vessel, his new employer. What was clearly stated therein was that Caseñas was **not allowed repatriation** by his employer for some reason. Insofar as Philippine law is concerned, the employer referred to in the said letter remains to be the foreign principal/manning agency as stated in the POEA-approved employment contract.

Finally, there was no showing as to why Caseñas was not repatriated to the Philippines upon the expiration of his contract. It was expressly provided therein that the contract was for eight (8) months, plus or minus two (2) months, that is, until February 2005 or at most, April 2005.

On its claim of lack of consent, APQ insists that as proof of its intention not to extend Caseñas' contract, it already arranged his plane ticket as early as January & February 2005, in anticipation of the expiration of the contract, attaching the e-mail copy of the American Airlines E-ticket & Itinerary.

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[26] *Rollo*, pp. 620-648.

Again, a scrutiny of the records reveals otherwise. The e-mail and e-ticket consistently relied upon by the petitioners clearly showed that the e-ticket was issued on January 18, **2006**, which flight was scheduled on January 23 (Monday) bound for Miami and January 25 (Wednesday) bound for Manila. There were two (2) other e-tickets arranged for Caseñas which showed a flight schedule on February 8 (Wednesday) and February 15 (Wednesday), both bound for Manila from Miami. These e-mails and e-tickets were sent by Crew Management to APQ *via* fax. Crew Management also executed the letter,[27] dated **February 24, 2006**, addressed to DOLE-OWWA in response to the report of the wife of Caseñas to DOLE regarding his repatriation. Crew Management stated in said letter, copy furnished APQ, that it had already issued an air ticket to Caseñas, but he failed to claim it. The same letter assured the DOLE-OWWA of its arranging the payment of wages and repatriation of the crew members on-board MV Haitien Pride, as well as its arranging another plane ticket for Caseñas, if necessary. Thus, these communications reveal that **APQ had actual knowledge** that Caseñas continued working on board the said vessel after **February/April 2005**. **Despite such knowledge, APQ neither posed any objection** to the extension of the contract nor make any effort to protect itself from any responsibility that might arise from the extension, if it did not indeed intend to extend the employment contract. To keep on notifying a person/party who was not anymore privy to any contract at all makes no sense. Also, APQ sent OWWA another letter,[28] dated **April 24, 2006**, giving information on the status of MV Haitien Pride. The same letter confirmed that APQ and Crew Management had constant communication with each other regarding the said vessel and its crew. Alex P. Quillope, APQ's President, even stated in the same letter that:

> Soon as I receive any information from them, I will at once inform your good office as I have then already prepared my travel again to Miami, Florida once MV Haitien Pride be on her sailing to Miami.[29]

APQ cannot now feign ignorance of any extension of the contract and claim that it did not consent to it. As it had knowledge of the extended contract, APQ is solidarily liable with Crew Management for Caseñas' claims. Caseñas is, therefore, entitled to the unpaid wages during the extended portion of his contract.

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[27] Id. at 78-79.
[28] Id. at 133.
[29] Id.

As to his claim for medical and other benefits, there is no dispute that the symptoms of Caseñas' illness began to manifest **during the term of his employment contract.** The fact that the manifestations of the illness only came about in August 2006 will not bar a conclusion that he contracted the ailment while the contract was subsisting. The overall state and condition that he was exposed to over time was the very cause of his illness. Thus, the CA was correct in reinstating the NLRC resolution awarding sickness allowance as well as disability benefits in favor of Caseñas. Section 20(B)(3) of the 2000 POEA Standard Terms and Conditions Governing the Employment of Filipino Seafarers on Board Ocean Going Vessels provides:

> B. COMPENSATION AND BENEFITS FOR INJURY OR ILLNESS
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> x x x
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> 3. **Upon sign-off from the vessel for medical treatment, the seafarer is entitled to sickness allowance equivalent to his basic wage until he is declared fit to work or the degree of permanent disability has been assessed by the company-designated physician but in no case shall this period exceed one hundred twenty (120) days.**
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> For this purpose, the seafarer shall submit himself to a postemployment medical examination by a company-designated physician within three working days upon his return except when he is physically incapacitated to do so, in which case, a written notice to the agency within the same period is deemed as compliance. Failure of the seafarer to comply with the mandatory reporting requirement shall result in his forfeiture of the right to claim the above benefits. If a doctor appointed by the seafarer disagrees with the assessment, a third doctor may be agreed jointly between the Employer and the seafarer. The third doctor's decision shall be final and binding on both parties.
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> x x x

In *Magsaysay Maritime Corporation vs. NLRC*,[30] citing *Vergara vs. Hammonia Maritime Services, Inc.*,[31] the Court reiterated that the seafarer, upon sign-off from his vessel, must report to the company-designated physician within three (3) days from arrival for diagnosis and treatment. For the duration of the treatment but in no case to exceed 120 days, the seaman is on temporary total disability as he is totally unable to work. He receives his basic wage during this period until he is declared fit to work or his temporary disability is acknowledged by the company to be permanent,

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[30] G.R. No. 191903, June 19, 2013.
[31] 588 Phil. 895 (2008).

either partially or totally, as his condition is defined under the POEA-SEC and by applicable Philippine laws. If the 120 days initial period is exceeded and no such declaration is made because the seafarer requires further medical attention, then the temporary total disability period may be extended up to a maximum of 240 days, subject to the right of the employer to declare within this period that a partial or total disability already exists. The seaman may, of course, also be declared fit to work at any time such declaration is justified by his medical condition.[32]

In this case, Casenas immediately reported to APQ for the required post-employment medical examination upon his return to the Philippines. He was referred to the company-designated physician, who diagnosed him to be suffering from Ischemic Heart Disease, which was a manifestation of organ damage.[33] Caseñas likewise consulted two (2) other physicians who certified him to be suffering from Essential Hypertension aside from Ischemic Heart Disease.[34] From the time of Caseñas' diagnosis by the company-designated physician, he was under the state of *temporary total disability*, which lasted for at least 120 days as provided by law. Such period could be extended up to 240 days, if further medical attention was required. There was, however, no showing of any justification to extend said period. As the law requires, within 120 days from the time he was diagnosed of his illness, the company-designated physician must make a declaration as to the fitness or unfitness of Caseñas As correctly observed by the CA, however, the 120 day period lapsed without such a declaration being made.[35] Caseñas is now deemed to be in a state of *permanent total disability* and, thus, clearly entitled to the total disability benefits provided by law.

WHEREFORE, the petition is **DENIED.**

SO ORDERED.

JOSE CATRAL MENDOZA
Associate Justice

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[32] Supra note 30.
[33] *Rollo*, p. 56.
[34] Id.
[35] Id. at 57.

WE CONCUR:

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

DIOSDADO M. PERALTA
Associate Justice

MARTIN S. VILLARAMA, JR.
Associate Justice

MARVIC MARIO VICTOR F. LEONEN
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MARIA LOURDES P. A. SERENO
Chief Justice