Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

MAGSAYSAY MARITIME CORPORATION, PRINCESS CRUISE LINES, LTD. and/or MR. EDUARDO U. MANESE, *Petitioners,*	**G.R. No. 201359**
	Present:
- versus -	CARPIO, *Chairperson,* VELASCO, JR.,* PERALTA,** DEL CASTILLO, *and* LEONEN, *JJ.*
VIRGILIO L. MAZAREDO, *Respondent.*	Promulgated: 23 SEP 2015

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DECISION

DEL CASTILLO, *J.*:

Assailed in this Petition for Review on *Certiorari*[1] are: 1) the October 28, 2011 Decision[2] of the Court of Appeals (CA) in CA-G.R. SP No. 117748, which affirmed with modification the September 14, 2010 Decision[3] and October 29, 2010 Resolution[4] of the National Labor Relations Commission (NLRC) in NLRC LAC No. (OFW-M) 06-000439-10; and 2) the CA's March 28, 2012 Resolution[5] denying reconsideration of its assailed Decision.

Factual Antecedents

Respondent Virgilio L. Mazaredo has been working for petitioner manning agency Magsaysay Maritime Corporation (Magsaysay) since 1996. For his last employment contract, he was hired for Magsaysay's foreign principal and co-petitioner herein, Princess Cruise Lines, Limited (Princess Cruise). He was

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* Per Special Order No. 2215 dated September 22, 2015.
** Per Special Order No. 2170 dated September 10, 2015.
1 *Rollo*, pp. 35-84.
2 Id. at 86-102; penned by Associate Justice Ramon A. Cruz and concurred in by Associate Justices Jose C. Reyes, Jr. and Ramon M. Bato, Jr.
3 CA *rollo*, pp. 88-96; penned by Commissioner Pablo C. Espiritu, Jr. and concurred in by Presiding Commissioner Alex A. Lopez and Commissioner Gregorio O. Bilog III.
4 Id. at 47-49.
5 *Rollo*, pp. 135-136.

assigned as Upholsterer onboard the vessel M/V "Tahitian Princess." His 10-month POEA[6] Standard Employment Contract[7] dated June 25, 2008 stated among others that he was to receive a monthly salary of US$455.00.

Respondent was deployed on July 5, 2008.[8]

On February 4, 2009, while aboard M/V "Tahitian Princess," respondent experienced back pain. Upon examination by the ship's doctor Lana Strydom on March 12, 2009, the following diagnosis was issued: "a) uncontrolled hypertension on medication; b) probable previous silent inferior myocardial infarct; c) left ventricular hypertrophy; d) tachycardia (95-107); x x x f) needs CXR, Echo, Stress Test and Angiogram; g) needs cardiologist specialist consultation; h) needs another seafarer's fitness to work at sea medical before next contract x x x."[9]

On March 22, 2009, respondent was medically repatriated and immediately referred to the company-designated physician. Respondent underwent a series of examinations[10] such as electrocardiogram (ECG), 2D Echo, and coronary arteriography.[11] On May 30, 2009, he was found to be suffering from "coronary artery disease, three-vessel involvement;" the recommendation was for him to undergo coronary artery bypass graft surgery (CABG[12]).[13]

On July 6, 2009, respondent underwent percutaneous coronary

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6 Philippine Overseas Employment Administration.

7 CA *rollo*, p. 264.

8 Id. at 88.

9 Id. at 265-267; Medical Referral Letter dated March 12, 2009.

10 Id. at 243, respondent's Position Paper.

11 Id. at 243, 275.

12 Coronary artery bypass grafting (CABG) is a type of surgery that improves blood flow to the heart. Surgeons use CABG to treat people who have severe coronary heart disease (CHD).

CHD is a disease in which a waxy substance called plaque (plak) builds up inside the coronary arteries. These arteries supply oxygen-rich blood to your heart.

Over time, plaque can harden or rupture (break open). Hardened plaque narrows the coronary arteries and reduces the flow of oxygen-rich blood to the heart. This can cause chest pain or discomfort called angina (an-JI-nuh or AN-juh-nuh).

If the plaque ruptures, a blood clot can form on its surface. A large blood clot can mostly or completely block blood flow through a coronary artery. This is the most common cause of a heart attack. Over time, ruptured plaque also hardens and narrows the coronary arteries.

CABG is one treatment for CHD. During CABG, a healthy artery or vein from the body is connected, or grafted, to the blocked coronary artery. The grafted artery or vein bypasses (that is, goes around) the blocked portion of the coronary artery. This creates a new path for oxygen-rich blood to flow to the heart muscle.

Surgeons can bypass multiple coronary arteries during one surgery.

http://www.nhlbi.nih.gov/health/health-topics/topics/cabg

Accessed July 22, 2015 from the National Heart, Lung, and Blood Institute (NHLBI), National Institute of Health (NIH), Department of Health and Human Services of the Government of the United States of America.

13 CA *rollo*, p. 268.

intervention[14] or angioplasty instead of the recommended bypass surgery. The angioplasty was a mere outpatient procedure.[15] Respondent underwent angioplasty instead of bypass surgery because he could not afford the latter procedure, as it was he who was paying for his treatment.[16] Petitioners did not provide medical and financial assistance after respondent's initial diagnosis.[17] It was respondent alone who chose the hospital and procedure for the treatment of his condition, with full consideration of the cost and expenses of treatment.[18]

In a July 6, 2009 Cardiac Catheterization Laboratory Report[19] issued after respondent's angioplasty, the attending physician recommended the administration of dual antiplatelets[20] and that medical care or management of respondent's condition should be "maximized."

On September 25, 2009, respondent sought the opinion of an independent physician, Dr. Efren R. Vicaldo (Dr. Vicaldo), who issued a Medical Certificate[21] declaring that respondent is unfit to resume work as seaman in any capacity; that he requires maintenance medication to control his hypertension to prevent cardiovascular complications such as worsening coronary artery disease, stroke and renal insufficiency; and that respondent is not expected to land gainful employment given his medical background.

Ruling of the Labor Arbiter

Prior to Dr. Vicaldo's assessment, or on July 27, 2009, respondent filed a

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14 Percutaneous (per-ku-TA-ne-us) coronary intervention (PCI), commonly known as coronary angioplasty (AN-jee-oh-plas-tee) or simply angioplasty, is a non-surgical procedure used to open narrow or blocked coronary (heart) arteries. Percutaneous means "through the skin." The procedure is done by inserting a thin flexible tube (catheter) through the skin in the upper thigh or arm in the artery. The procedure restores blood flow to the heart muscle.

x x x x

PCI can restore blood flow to the heart. During the procedure, a thin, flexible catheter (tube) with a balloon at its tip is threaded through a blood vessel to the affected artery. Once in place, the balloon is inflated to compress the plaque against the artery wall. This restores blood flow through the artery.

Doctors may use the procedure to improve symptoms of CHD, such as angina. The procedure also can reduce heart muscle damage caused by a heart attack.

http://www.nhlbi.nih.gov/health/health-topics/topics/angioplasty

Accessed July 22, 2015 from the National Heart, Lung, and Blood Institute (NHLBI), National Institute of Health (NIH), Department of Health and Human Services of the Government of the United States of America.

15 CA *rollo*, pp. 269-270.

16 Id. at 192-193, 296-298, 301-304.

17 Id.

18 Id. at 192-193.

19 Id. at 270.

20 Anticoagulants are drugs used to prevent clot formation or to prevent a clot that has formed from enlarging. They inhibit clot formation by blocking the action of clotting factors or platelets. Anticoagulant drugs fall into three categories: inhibitors of clotting factor synthesis, inhibitors of thrombin and antiplatelet drugs. Definition of "Anticoagulant and Antiplatelet Drugs" at The Free Dictionary website
http://medical-dictionary.thefreedictionary.com/Anticoagulant+and+Antiplatelet+Drugs
Accessed July 22, 2015

21 CA *rollo*, pp. 274-275.

Complaint[22] against Magsaysay, Princess Cruise, and their co-petitioner Eduardo U. Manese (Manese) – Magsaysay Owner/President/General Manager – for recovery of permanent total disability and sickness benefits, reimbursement of medical and other expenses, moral and exemplary damages, and attorney's fees, which was docketed in the NLRC, National Capital Region, Quezon City as NLRC NCR Case No. OFW (M)-07-10662-09.

In his Position Paper,[23] Reply,[24] and Rejoinder,[25] respondent claimed that petitioners acted in bad faith in refusing to provide medical and financial assistance to address his heart condition, which he claimed was contracted during his employment with the latter; that he has been rendered and declared permanently and totally disabled, which thus entitled him to the maximum corresponding benefits; that petitioners unjustly refused to indemnify him, which further entitled him to actual, moral and exemplary damages, and attorney's fees for being compelled to litigate; and that in addition, he was entitled to indemnity under an International Transport Federation Collective Bargaining Agreement (ITF-CBA). Thus, respondent prayed that he be paid US$80,000.00 as permanent disability compensation; US$2,275.00 sickness compensation; ₱463,240.31 as reimbursement for medical expenses incurred; ₱16,700.00 as reimbursement for transportation expenses; ₱600,000.00 combined moral and exemplary damages; and 10% attorney's fees.

In their joint Position Paper,[26] Reply,[27] and Rejoinder,[28] petitioners argued that respondent boarded M/V "Tahitian Princess" on June 17, 2007 and disembarked upon completion of his contract on March 9, 2008, which meant that he completed his contract prior to contracting of his illness; that respondent's illness is not work-related as declared by the company-designated physician in a Medical Report[29] dated March 27, 2009, which thus justified their denial of respondent's disability claim; that despite such finding, they continued with respondent's treatment and shouldered all the medical expenses he incurred; that the company-designated physician's March 27, 2009 assessment should prevail in deciding respondent's case; that the supposed ITF-CBA is inapplicable in this case, since respondent's illness was not the result of an accident – a pre-condition under said ITF-CBA; and that respondent is not entitled to his other claims since they have fulfilled their contractual obligations in good faith, which thus leaves respondent without a valid cause of action. They prayed for the dismissal of respondent's Complaint and recovery, by way of counterclaim, of ₱500,000.00 as and for attorney's fees and litigation expenses.

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22 Id. at 337-340.
23 Id. at 241-263.
24 Id. at 191-209.
25 Id. at 139-154.
26 Id. at 306-334.
27 Id. at 210-240.
28 Id. at 167-190.
29 There is no such report in the record of the case. See also Labor Arbiter's Decision stating that no such medical report was attached to the records. Id. at 136.

On April 20, 2010, the Labor Arbiter rendered a Decision[30] dismissing the respondent's Complaint for lack of merit, stating thus:

> I S S U E S:
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> 1. Is complainant entitled to permanent disability compensation in the amount of US$80,000.00?
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> 2. Is complainant entitled to reimbursement of full medical cost for treatment of illness, sick wages for "130 days"?
>
> 3. Is he entitled to moral and exemplary damages plus attorney's fees?
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> Before these issues are resolved, this Arbitration branch takes note that in Respondents'[31] Position Paper, Annex "3", which is alleged as the Medical Report dated 27 March 2009 of the company-designated physician, is not attached thereto.
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> Be that as it may, it appears on the records that on March 12, 2009, Dr. Lana Strydom, in the Medical Referral Letter, diagnosed complainant and requested/recommended that complainant needs to be treated with the following:
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> "1. CXR, Echo, Stress Test and Angiogram
> 2. Cardiologist Specialist consultation
> 3. Repeat Monitoring of U & E
> 4. Needs another seafarer's fitness to work at sea medical before next contract."
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> Unfortunately, as earlier mentioned, the alleged Medical Report dated March 27, 2009 of the company-designated physician is not on record. Although this is not attached, the complainant nonetheless admits that upon his arrival in the Philippines on March 22, 2009, he underwent a series of medical examinations by the company-designated physician. But he himself did not submit any document on the results of those tests.
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> The complainant however submitted a document dated May 30, 2009 executed by his own independent doctor, Eduardo T. Buan, Angiographer of the Invasive Cardiology Division, Philippine Heart Center. He also submitted a Cardiac Catheterization Laboratory Report dated July 6, 2009 issued by Drs. Dee/Delos Reyes/Albacite/Regamit with these recommendations: "Dual Antiplatelets, Maxize [sic] Medical management".
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> A careful scrutiny of complainant's Annexes "E-1" and "E-2" (CPP) bear no date when they were issued by the Philippine General Hospital. They however state complainant's "Condition on Discharge – Improved, Ambulatory".
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> It is noted that this complaint was filed on July 27, 2009. On September 25, 2009, or about two (2) months thereafter, Dr. Efren R. Vicaldo, in his Medical Certificate, states that complainant was confined September 25, 2009

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30 Id. at 132-138; penned by Labor Arbiter Lutricia F. Quitevis-Alconcel.

31 Petitioners herein.

with the following diagnosis:

"Hypertensive cardiovascular disease
Coronary artery disease
S/P percutaneous coronary intervention"

And in Dr. Vicaldo's Medical Evaluation of Patient/Seaman dated September 2009, he did not state any Grading for which complainant should be compensated/ entitled. Besides, complainant consulted the said doctor just once.

The ruling in the case of Crystal Shipping, Inc. vs. Natividad (Supra) does not apply in this case. In that case, the company-designated physician and the respondent physician, although they differ in their assessment of the degree of respondent's disability, both found that respondent was unfit for sea-duty. In the present case, the facts differ. Neither is the ruling on the case of HFS Philippines, Inc. et al. vs. Ronaldo R. Pilar applicable herein for the same reason – the facts differ in these cases.

It is also noted that complainant went to seek the medical opinion of Dr. Vicaldo after he had filed this case and after the lapse of One Hundred Twenty (120) days.

Much as this Labor tribunal looks tenderly on the laborer, there are legal parameters that limit our resolution on cases of this nature. There are rulings favoring the seafarer; there are also those not in their favor. The particular facts of the case and the evidence adduced by the parties had always been the bases for the High Court's decisions. This Arbitration Branch can only apply those which We deem fall squarely on the case at bar.

One last note: The respondents are hereby admonished to carefully go over the evidence they present or inadvertently fail to attach.

WHEREFORE, in the light of the foregoing, judgment is hereby rendered DISMISSING this complaint for lack of merit.

All other claims herein sought and prayed for are hereby denied for lack of legal and factual bases.

SO ORDERED.[32]

Ruling of the National Labor Relations Commission

Respondent interposed an appeal[33] before the NLRC, which was docketed as NLRC LAC No. (OFW-M) 06-000439-10. On September 14, 2010, the NLRC issued its Decision[34] containing the following pronouncement:

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32 CA *rollo*, pp. 136-138.
33 Id. at 97-130.
34 Id. at 88-96.

Hence, this appeal anchored on serious errors and grave abuse of discretion committed by the Labor Arbiter in dismissing the complaint, with the complainant[35] asserting that the diagnosed illnesses that caused the death [sic] of the seafarer are listed as occupational illnesses under the POEA Standard Employment Contract, and therefore compensable.

The appeal is impressed with merit.

It must be clarified at the outset that while respondents[36] have argued that complainant was on finished contract, having embarked in June 2007, this contention is belied by the POEA-approved contract clearly showing that complainant's last contract on board the vessel "TAHITIAN PRINCESS" was for a period of ten months commencing on July 8, 2008 or the date of his departure. That complainant was medically repatriated on March 22, 2009 or two months short of the 10-month contract duration is not disputed, and as such the reasonable presumption is that complainant's contract had not expired or [was not] completed, as claimed by respondents.

Proceeding to the primary issue in this appeal, we find that complainant's allegation notwithstanding, it is the provisions of the POEA Standard Employment Contract that would have to be applied. The contention that the claim for disability compensation should be based on the provisions of the CBA which provides higher benefits is untenable as it is unequivocally stated in the CBA that disability compensation under said Agreement is conditioned upon a finding that the injury is due to an accident. In this case, complainant was repatriated due to illness, thereby excluding the coverage of his claim under the CBA.

Under Section 20.B of the POEA Standard Employment Contract, the employer is liable for payment of disability compensation arising from work-related illness/injury sustained or contracted during the period of the seafarer's employment. Section 32-A of the same Contract enumerates what are deemed occupational illnesses, whereas Section 20.D specifically states that illnesses not listed are disputably presumed to be work-connected.

Complainant in this case was discharged from his assigned vessel when he was found to be suffering from uncontrollable hypertension, with specific requirement for cardiac consultation and related laboratory examinations. Upon arrival it is not disputed that complainant underwent angioplasty and was assessed by his physician to be suffering from hypertensive cardiovascular disease and coronary artery disease and determined to be unfit to resume employment as seafarer in any capacity whatsoever.

Respondents' defense is predicated on the claim that complainant's illness is not work-related.

This argument is bereft of merit.

Complainant's diagnosed illness is listed under Section 32-A of the POEA Standard Employment Contract and therefore compensable. It is to be noted that as against the medical certificates submitted by the complainant,

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35 Herein respondent.

36 Herein petitioners.

respondents' claim of non-work connection is anchored on a purported certification issued by the company-designated physician which, as found by the Labor Arbiter, was not attached to the respondents' Position Paper.

Be that as it may, the fact that the illness is listed as an occupational disease is sufficient to overcome the respondents' unsubstantiated allegation of the illness' absence of work causality.

As to the argument that it is the assessment of the company[-designated] physician that should be upheld, the Supreme Court in Maunlad Transport Inc., et al. vs. Manigo (G.R. No. 161416, June 13, 2008) x x x reconciled its rulings on the same issue and declared that the seaman does not automatically bind himself to the medical report of the company-designated physician and that neither are the labor tribunals and courts bound by the medical report, the inherent merit of which will be weighed and duly considered. It was further decreed that the seaman may dispute the medical report issued by the company-designated physician by seasonably consulting another physician, which will be evaluated by the labor tribunal and the courts based on its inherent merits.

Thus, as between the respondents' unsubstantiated declaration that complainant's illness is not work-related, and the complainant's medical certificates detailing the extent and nature of his condition, the latter must be upheld as reflective of the complainant's medical status, and resulting incapacity. Likewise, it must [also be] emphasized that complainant had been continuously a seafarer for more than twelve (12) years with the respondents and as such his work must have at least contributed and aggravated his illness which resulted in his incapacity.

The fact that complainant's condition may have improved, or that he is ambulatory, as found by the Labor Arbiter will not militate against complainant's entitlement to disability compensation. What is important is that the complainant's medical condition [from] which he suffered during his employment and while in the performance of his duties has rendered him incapacitated to perform his usual job.

In Seagull Maritime Corp. et al. vs. Jaycee Dee et al., (G.R. No. 165156, April 2, 2001) the Supreme Court decreed that disability should not be understood solely on its medical significance, but also on the real and actual effects of the injury [on] the claimant's right and opportunity to perform work and earn a living. The test to determine its gravity is the impairment or loss of one's capacity to earn and not its mere significance. Permanent total disability means disablement of the employee to earn wages in the same kind of work or work of similar nature [– that for which] he was trained for or accustomed to perform, or any kind of work which a person of his mentality and attainment can do.

Complainant is therefore entitled to the maximum disability compensation of US$60,000.00.

In addition, complainant is entitled to sickness wages corresponding to the remaining period of his ten[-]month contract. While the POEA Standard Employment Contract provides a maximum period of 120 days sickness wage [benefit] (130 days under the CBA) complainant is not entitled to the entire covered period considering that there was less than three (3) months left of his

> contract. Given the nature of sickness wages, which are intended to compensate the seafarer while he is ailing during the period of his contract, it goes without saying that his entitlement should be limited to one month and thirteen days or 43 days equivalent to US$652.16.00 [sic].
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> Likewise, complainant is entitled to reimbursement [for] medical expenses as duly proven, considering that it is the obligation of the respondents to provide medical attendance to the complainant.
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> The claims for moral and exemplary damages are denied, but complainant is nonetheless entitled to ten percent of the monetary award as and for attorney's fees, having secured legal representation to pursue his valid claims.
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> WHEREFORE, premises considered, the decision dated April 20, 2010 is VACATED and SET ASIDE. Respondents are ordered to pay complainant jointly and severally the Philippine peso equivalent at the time of actual payment of **US$60,000.00** representing permanent disability benefits and **US$652.16.00** [sic] representing sickness wages, [**₱**]**463,240.31** representing reimbursement of duly proven medical expenses, and ten percent (10%) thereof as and for attorney's fees.
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> SO ORDERED.[37]

Petitioners filed a Motion for Reconsideration,[38] insisting that respondent's illness is not work-related; that the company-designated physician's assessment prevails; that respondent's illness is not a Grade 1 disability; and that consequently, he is not entitled to sickness allowance and attorney's fees. However, in a Resolution dated October 29, 2010, the NLRC held its ground.[39]

Ruling of the Court of Appeals

In a Petition for *Certiorari*[40] filed with the CA and docketed therein as CA-G.R. SP No. 117748, petitioners sought to set aside the NLRC dispositions, reiterating their arguments that respondent's disability was not work-related; that he disembarked from the vessel due to a finished and completed employment contract, and not his illness; and that the NLRC committed grave abuse of discretion in granting the awards. Petitioners also sought injunctive relief.

On October 28, 2011, the CA issued the herein assailed Decision containing the following pronouncement:

> Petitioners assert that private respondent is [a] contractual employee, thus, when the contract expired upon private respondent's return, the term of his

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37 CA *rollo*, pp. 91-95.
38 Id. at 55-86.
39 Id. at 47-48.
40 Id. at 3-45.

contract has terminated. As such, any claims he may have under such a contract has also terminated.

We disagree.

Section 18 (B) (1) of the POEA SEC provides:

> " x x x x x x x x x
>
> B. The employment of the seafarer is also terminated when the seafarer arrives at the point of hire for any of the following reasons:
>
> (1) when the seafarer signs-off and is disembarked for medical reasons pursuant to Section 20 (b) (5) of this Contract.
>
> x x x x x x x x x "

Section 20 (B) (5) of the same contract also states that upon the seafarer's sign-off from the vessel for medical treatment, the employer shall bear the full cost of repatriations in the even[t] the seafarer is declared fit for repatriation. True, private respondent signed-off and disembarked for medical reasons but this [is] not tantamount to the denial of the private respondent's right to claim any disability benefits under the POEA SEC.

It bears stressing that seafarers are contractual employees. Their employment is governed by the contracts they sign and are fixed for a period of time. Their entitlement to disability benefits is a matter governed, not only by medical findings but also by contract. By contract means the Employment Contract and POEA Standard Employment Contract (POEA SEC). x x x

x x x x

Petitioners posit that the opinion of the company-designated physician is the best and most reliable source of information as to the private respondent's state of health. The declaration that private respondent's illness is not work-related should not only be given great weight in determining disability benefits but also be considered as conclusive.

x x x x

Any dispute as to private respondent's claim and state of health could have been easily resolved had the parties observed the provisions of the POEA SEC. However, the parties did not jointly choose a third doctor to assess private respondent's condition. We are therefore constrained to make a ruling based on the evidence already submitted by the parties and made part of the records of the case, including the medical certification of private respondent secured from this [sic] attending physicians.

It is undisputed that private respondent submitted himself to the treatment and medical evaluation of company-designated physician, Dr. Robert Lim. It has also been established that private respondent was found to be suffering from a heart ailment. The problem arose when he was diagnosed with hypertensive cardiovascular disease and the company-designated physician opined that his illness is not work-related and found to be generic in origin.

x x x x

On the other hand, private respondent's own physician declares that the illness suffered by him is work-related/work-aggravated. True, it is the company-designated physician who is entrusted with the task of assessing the seaman's disability under the POEA SEC. Nonetheless, private respondent also had the right to seek medical treatment other than [from] the company-designated physician. A claimant may dispute the company-designated physician's report by seasonably consulting another doctor. In such a case, the medical report issued by the latter shall be evaluated by the labor tribunal and the court, based on its inherent merit.[41] The records indicate that when private respondent was given medical attention at the Philippine General Hospital, he consistently complained of back pains as shown in the Clinical Abstract and Discharge Summary. Thereafter, he was finally diagnosed with "ISCHEMIC HEART DISEASE; CORONARY ARTERY DISEASE, 3 VESSEL CAD." We also note that Dr. Efren Vicaldo is a Cardiologist at the Philippine Heart Center. Therefore, Dr. Vicaldo's diagnosis and assessment should be given credence.

x x x x

Thus, We see no reason to disturb the NLRC's findings and conclusion on this point x x x

x x x x

The POEA SEC provides a Schedule of Disability or Impediment for Injuries Suffered and Diseases Including Occupational Diseases or Illness Contracted. Here, private respondent has been diagnosed to be suffering from the "Hypertensive Cardiovascular Disease, Coronary Artery Disease; S/P percutaneous coronary intervention." Cardiovascular diseases are classes of diseases that involve the heart and blood vessels (arteries and veins). The term cardiovascular diseases must be understood not only in its generic form but also in its plural sense. x x x

Corollarily, cardiovascular disease is listed as an occupational disease under the POEA SEC. x x x

x x x x

It is sufficient that the foregoing elements be established by substantial evidence or such relevant evidence as a reasonable mind to accept [sic] as adequate to justify a conclusion. In this case, private respondent's medical history and condition was well-documented. When private respondent consulted the ship doctor, [Dr.] Lana Strydom, he had been complaining of back pain post lifting and bending and was diagnosed of Mechanical Lower Back Pain with Muscle Spasm. He then had a blood pressure of 177/119. After being repatriated x x x, Dr. Eduardo Buan found that private respondent was suffering [from] Coronary Artery Disease, Three-Vesel Involvement. Thereafter, private respondent underwent Percutaneous Transcoronary Angioplasty at the Philippine General Hospital. Obviously, these signs and symptoms did not develop overnight.

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41 Citing *HFS Philippines, Inc. v. Pilar*, 603 Phil. 309 (2009).

> The significance of the Medical Referral Letter, Clinical Abstract and Discharge Summary cannot be overemphasized. They confirmed that private respondent began to experience the signs and symptoms of hypertensive cardiovascular disease such as back pains and fatigue which persisted when subjected to stress at work until he underwent angioplasty. It is undisputed that private respondent was deployed with petitioners for more than twelve (12) years. Given the arduous nature of his job, it must have at least aggravated any pre-existing condition he might have had. Clearly, there is substantial evidence to support the reasonable connection between private respondent's work and development and exacerbation of his heart ailment.
>
> x x x x
>
> As to the award of sickness allowance, we find it to be warranted by the undisputed fact on record that private respondent's basic salary is US$ 455.00 per month. However, we modify that amount. Private respondent has a right to receive the sickness allowance for 120 days pursuant to Section 20 (B) (3) of the POEA SEC and not 43 days as found by the NLRC. Multiplying the 120-day sickness allowance due to private respondent on the basis of the correct monthly rate of US$455.00, he should be awarded US$1,820.00 as sickness allowance.
>
> As to the reimbursement of medical expenses, we will likewise modify this award. The records reveal that only the amount of ₱104,955.31 are duly supported by official receipts.
>
> As to the award of attorney's fees, the same is justified, as private respondent actually hired the services of a lawyer to vindicate his right to claim his disability benefits. Attorney's fees is [sic] recoverable when the defendant's act or omission has compelled the plaintiff to incur expenses to protect his interest. The attorney's fees awarded by the NLRC shall be maintained but must reflect the modified amount of the sickness allowance and reimbursement of medical expenses.
>
> With respect to petitioners' application for provisional remedies, there is no need to pass upon it as it has been rendered moot and *fait accompli* by this decision.
>
> WHEREFORE, premises considered, this petition is DISMISSED. The assailed Decision dated September 14, 2010 and Resolution dated October 29, 2010 of the NLRC is [sic] AFFIRMED with MODIFICATION. Petitioners are hereby ORDERED to jointly and severally pay private respondent Virgilio Mazaredo the following: (1) permanent disability compensation in the amount of US$60,000.00; (2) sickness allowance in the amount US$1,820.00; (3) reimbursement of medical expenses in the amount of ₱104,955.31; and (4) attorney's fees equivalent to ten percent (10%) of the total monetary award.
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> SO ORDERED.[42]

Petitioners filed a Motion for Reconsideration,[43] but the CA denied the same in its March 28, 2012 Resolution. Hence, the present Petition.

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42 *Rollo*, pp. 92-99.

43 Id. at 103-133.

Issues

Petitioners submit the following issues for resolution:

1. Whether x x x the Court of Appeals' decision in awarding private respondent US$60,000.00 as disability benefits is in accord with law or the applicable decisions of this Honorable Court despite the fact that private respondent disembarked from the vessel due to a finished contract and the alleged cause of the seafarer's disability is not work-related.

2. Whether x x x the Court of Appeals' decision in awarding private respondent sickness allowance, medical reimbursement and attorney's fees is in accord with law or the applicable decisions of this Honorable Court considering that private respondent has provided no basis for such claims.

3. Whether x x x the Court of Appeals' decision is in accord with law or the applicable decisions of this Honorable Court considering that the findings of fact and legal conclusions both [sic] the Labor Arbiter and the NLRC are completely different from its questioned Decision and Resolution.[44]

Petitioners' Arguments

Praying that the assailed CA pronouncements be set aside and that a new judgment be rendered dismissing NLRC NCR Case No. OFW (M)-07-10662-09, petitioners insist in their Petition and Reply[45] that respondent has no right to any disability benefits since his employment contract expired before he contracted his illness; that his illness is not work-connected; that hypertensive cardiovascular disease is not compensable as it is not a work-connected illness under the POEA SEC; that the company-designated physician already made a prior categorical assessment, contained in a March 22, 2009 Medical Report, that respondent's illness was not work-related and thus not compensable; that the company-designated physician's assessment – not that of respondent's appointed doctor, Dr. Vicaldo's – should be given credence; and that resultantly, the CA committed grave abuse of discretion in awarding disability benefits, damages, and attorney's fees to respondent.

Respondent's Arguments

In his Comment,[46] respondent counters that the assailed Decision of the appellate court is duly supported by the evidence adduced; that his condition – hypertensive cardiovascular disease or coronary artery disease – was contracted during his employment with petitioners; that his work contributed to the

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44 Id. at 44-45.
45 Id. at 172-205.
46 Id. at 140-164.

development of his condition and deterioration of his health; that cardiovascular disease is listed as a compensable illness under the POEA SEC; that he is entitled to permanent and total disability benefits as he has been unable to work even up to the present as a result of his illness which prevents him from obtaining gainful employment; and that the POEA SEC is a contract of adhesion that should be construed liberally in his favor, and strictly against petitioners.

Our Ruling

The Court denies the Petition.

Respondent's POEA SEC

Petitioners insist that respondent's employment contract expired before he contracted his illness; however, the evidence clearly belies such claim. His 10-month POEA SEC was dated June 5, 2008; he was deployed on July 5, 2008, and repatriated on March 22, 2009 – or sometime during the ninth or tenth month of his POEA SEC. Petitioners seem to base their argument on respondent's previous contract, and not the current one in issue.

Compensability

On the issue of compensability, there is no question that respondent's condition – "coronary artery disease, three-vessel involvement" – is a covered illness. It has consistently been held that cardiovascular disease, coronary artery disease, as well as other heart ailments, are compensable.[47] It likewise remains undisputed that given his 12 years of employment with petitioners and the conditions he was subjected to as a seafarer, respondent's illness can be attributed to his work. As correctly held by the CA, there is a reasonable connection between respondent's work and the development and exacerbation of his heart ailment. During his employment as seafarer, respondent was consistently exposed to varying temperatures and harsh weather conditions as the ship crossed ocean boundaries, and he may have been required to perform overtime work. Indeed, "any kind of work or labor produces stress and strain normally resulting in wear and tear of the human body."[48] Moreover, as seafarer, respondent was constantly plagued by homesickness and emotional strain as he is separated from his family,

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47 *Fil-Pride Shipping Company, Inc. v. Balasta*, G.R. No. 193047, March 3, 2014, 717 SCRA 624, citing *Jebsens Maritime, Inc. v. Undag*, 678 Phil. 938 (2011); *Oriental Shipmanagement Co., Inc. v. Bastol*, 636 Phil. 358 (2010); *Iloreta v. Philippine Transmarine Carriers, Inc.*, 622 Phil. 832 (2009); *Micronesia Resources v. Cantomayor*, 552 Phil. 130 (2007); *Remigio v. National Labor Relations Commission*, 521 Phil. 330 (2006); and *Heirs of the late Aniban v. National Labor Relations Commission*, 347 Phil. 46 (1997), citing *Tibulan v. Hon. Inciong*, 257 Phil. 324 (1989); *Cortes v. Employees' Compensation Commission*, 175 Phil. 331 (1978); and *Sepulveda v. Employees' Compensation Commission*, 174 Phil. 242 (1978).

48 *Magsaysay Maritime Services v. Laurel*, G.R. No. 195518, March 20, 2013, 694 SCRA 225, 241-242.

even as he had to contend with the perils of the sea while at work.[49]

Company-designated physician's Assessment

Under Article 192 (c)(1) of the Labor Code[50] and Rule X, Section 2 of the Amended Rules on Employees Compensation,[51] the company-designated physician must arrive at a definite assessment of the seafarer's fitness to work or permanent disability within the period of 120 or 240 days; if he fails to do so and the seaman's medical condition remains unresolved, the latter shall be deemed totally and permanently disabled.

Respondent was repatriated on March 22, 2009 and was examined and treated by the company-designated physician. On May 30, 2009, he was found to be suffering from "coronary artery disease, three-vessel involvement," and recommended to undergo CABG, or bypass surgery. However, instead of the recommended bypass surgery, respondent underwent percutaneous coronary intervention or angioplasty – an outpatient procedure – on July 6, 2009, because he did not have the resources to pay for the more expensive bypass surgery. On July 6, 2009, the company-designated physician issued a Cardiac Catheterization Laboratory Report recommending the administration of dual antiplatelets; he likewise stated that the medical management of respondent's condition should be "maximized." Thereafter, it appears that respondent's treatment was discontinued, and no assessment of respondent's fitness to work or disability was made. Indeed, up to this stage of the proceedings, there is no such declaration of fitness or disability issued by the company-designated physician.

Petitioners argue that there is a March 27, 2009 Medical Report issued by the company-designated physician which declared that respondent's condition was not work-connected and not compensable. However, the record of the case is bereft of such report. On the contrary, the last medical report issued by the company-designated physician on July 6, 2009 indicates that respondent's condition has not been resolved; he has not been cured, and instead, the attending physician recommended that medical management of respondent's condition

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49 See *Fil-Pride Shipping Company, Inc. v. Balasta*, supra note 47 at 641.

50 Art. 192. Permanent total disability. – x x x
(c) The following disabilities shall be deemed total and permanent:
(1) Temporary total disability lasting continuously for more than one hundred twenty days, except as otherwise provided for in the Rules;
x x x x

51 RULE X – Temporary Total Disability
x x x x
Sec. 2. Period of entitlement. – (a) The income benefit shall be paid beginning on the first day of such disability. If caused by an injury or sickness it shall not be paid longer than 120 consecutive days except where such injury or sickness still requires medical attendance beyond 120 days but not to exceed 240 days from onset of disability in which case benefit for temporary total disability shall be paid. However, the System may declare the total and permanent status at anytime after 120 days of continuous temporary total disability as may be warranted by the degree of actual loss or impairment of physical or mental functions as determined by the System.

should be maximized, meaning that his treatment must continue and the medical care to be given to him must be augmented.

Respondent's condition remains unresolved even up to this day, and petitioners did not renew his contract; nor was respondent able to work for other employers on account of his condition. Thus, applying the doctrine enunciated in *Magsaysay Mitsui OSK Marine, Inc. v. Bengson*[52] and *Alpha Ship Management Corporation v. Calo*[53] – that an employee's disability becomes permanent and total when so declared by the company-designated physician, or, in case of absence of such a declaration either of fitness or permanent total disability, upon the lapse of the statutory 120- or 240-day treatment period, while the employee's disability continues and he is unable to engage in gainful employment during such period, and the company-designated physician fails to arrive at a definite assessment of the employee's fitness or disability – respondent is thus deemed totally and permanently disabled and entitled to the corresponding benefit under the POEA SEC in the amount US$60,000.00.

The assessment of Dr. Vicaldo, an independent physician consulted by respondent, is irrelevant in this case. At most, it merely corroborates the findings of the company-designated physician; what prevails is the opinion of the latter, particularly the July 6, 2009 medical report recommending continued treatment and management of respondent's condition.

Pecuniary Awards

On the matter of pecuniary awards, the Court finds no reason to disturb the pronouncement of the CA in this regard. In the exercise of its power of review, the findings of fact of the CA are conclusive and binding on this Court; it is not the latter's function to analyze or weigh evidence all over again.

Deceitful Conduct

Finally, this Court has not failed to notice how petitioners' counsels of record, Attorneys Herbert A. Tria and Jerome T. Pampolina, repeatedly attempted – all throughout the proceedings of this case, or for a period of six years – to deceive and mislead the Labor Arbiter, the NLRC, the CA, and this Court, into believing that a favorable March 27, 2009 "Medical Report" of petitioners' company-designated physician exists which supposedly shows that respondent's condition was not work-connected and not compensable, when in fact there is none. Indeed, the CA was duped, and it fell for Tria and Pampolina's scheme. This Court has taken pains to review in earnest – again and again – the record, in

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52 G.R. No. 198528, October 13, 2014.
53 G.R. No. 192034, January 13, 2014, 713 SCRA 119, 137-139.

order to locate and determine what the March 27, 2009 medical report contained, but it could not be found. Yet in their pleadings filed before this Court, Attys. Tria and Pampolina continued to refer to the document.[54] Instead, it appears that in truth and in fact, there is no such document: from the start, the Labor Arbiter already noted its absence; in fact, the Labor Arbiter even admonished respondents to "carefully go over the evidence they present or inadvertently fail to attach."[55] But just the same, the CA was deceived to the point of declaring that respondent "*was diagnosed with hypertensive cardiovascular disease and the company-designated physician opined that his illness is not work-related and found to be generic in origin*,"[56] when no such medical opinion exists on record. It would appear, therefore, that such "medical report" was contrived in order to satisfy the legal requirement that the company-designated physician must make a definitive assessment of the employee's fitness to work in order to justify a denial of disability benefits.

The Code of Professional Responsibility provides that "[a] lawyer shall not engage in unlawful, dishonest, immoral or deceitful conduct" (Rule 1.01); he "shall not, for any corrupt motive or interest, encourage any suit or proceeding or delay any man's cause" (Rule 1.03); he "shall not do any falsehood, nor consent to the doing of any in Court, nor shall he mislead, or allow the Court to be misled by any artifice" (Rule 10.01); and he "shall not knowingly x x x assert as a fact that which has not been proved" (Rule 10.02).

Let this serve as a warning to Attys. Tria and Pampolina. Another transgression shall warrant the initiation of proceedings for their disbarment. Suffice it to state that lawyers should not transcend the bounds of propriety and commit a travesty before this Court by willfully, intentionally and deliberately resorting to falsehood and deception in handling their client's case in order to misguide, obstruct and impede the proper administration of justice.

WHEREFORE, the Petition is **DENIED**. The assailed October 28, 2011 Decision and March 28, 2012 Resolution of the Court of Appeals in CA-G.R. SP No. 117748 are **AFFIRMED**, with the **MODIFICATION** that in addition to the adjudged amounts of ₱104,955.31 as reimbursement for medical expenses and attorney's fees equivalent to 10 *per cent* (10%) of the total monetary award, the awarded sums of US$60,000.00 representing permanent total disability compensation and US$1,820.00 representing sickness allowance shall be paid by the petitioners to the respondent in Philippine pesos, computed at the exchange rate prevailing at the time of payment.

Attorneys Herbert A. Tria and Jerome T. Pampolina are **STERNLY**

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54 Id. at 41, 46, 51, 173, 176.
55 CA *rollo*, p. 138.
56 *Rollo*, p. 94.

WARNED for their unethical conduct. A repetition of these acts shall be dealt with more severely.

SO ORDERED.

MARIANO C. DEL CASTILLO
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

PRESBITERO J. VELASCO, JR.
Associate Justice

DIOSDADO M. PERALTA
Associate Justice

MARVIC M.V.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.

ANTONIO T. CARPIO
Associate Justice
Chairperson

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