

ELEVENTH DIVISION

[CA-G.R. SP NO. 127059, May 22, 2014]

CAREER PHILIPPINES SHIPMANAGEMENT, INC., SAMPAGUITA D. MARAVE AND/OR COLUMBIA SHIPMANAGEMENT LTD., LIMASSOL, CYPRUS, PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION (FOURTH DIVISION), AND ARMELA VELASCO, IN BEHALF OF DECEASED MANUEL TERUEL, RESPONDENTS.

D E C I S I O N

ANTONIO-VALENZUELA, J.:

Before this Court is the Petition for Certiorari^[1] filed by Career Philippines Shipmanagement, Inc. and Sampaguita D. Marave and/or Columbia Shipmanagement Ltd. ("petitioners"), 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 29 June 2012;^[2] and (2) Resolution dated 23 August 2012.^[3]

The facts are as follows: Armela A. Velasco ("respondent Armela") filed the Complaint,^[4] for and in behalf of her deceased father Manuel Teruel ("Manuel Teruel"), before the NLRC, NCR, Quezon City for payment of death benefits, moral damages, exemplary damages, and attorney's fees, against petitioners.

Respondent's Position Paper^[5] alleged: respondent Armela's father Manuel Teruel was a seafarer who worked with the petitioners from 1989; petitioners employed Manuel Teruel on crude oil/chemical tanker type of vessels as oiler, and he travelled worldwide under extreme conditions of high and low temperature, with exposure to toxic chemicals (mainly crude oil and diesel fumes); in Manuel Teruel's several deployments, he had been declared "fit to work as a seaman" by the company-accredited diagnostic clinic; on 29 July 2008, petitioners rehired Manuel Teruel as an oiler on board the Cape Akrotori, with a salary of US\$563 per month, for a period of 9 months, and Manuel Teruel boarded the vessel on 3 August 2008; his stay on board was uneventful, until in May 2009, when Manuel Teruel was about to disembark from his vessel of assignment, he felt episodes of body weakness and slurring of speech; on 13 May 2009, petitioners repatriated Manuel Teruel to Manila; upon Manuel Teruel's repatriation, respondent Armela noticed that her father appeared confused, and seemed to be a psychiatric case; Manuel Teruel stayed at home and rested, and did not bother to pay attention to the medical problem suffered on board the ship; on 24 November 2009, Manuel Teruel consulted Dr. Bernard Albano of De La Salle University Medical Center, and Dr. Albano gave the following diagnosis: "Diabetes Mellitus 2, suspect; T/C CerebroVascular Disease probably infarct, cannot totally R/O Psychiatric Disorder;" chest x-ray was conducted on 1 March 2010 on Manuel Teruel, and had the following results: "Atheromatous Aorta, additional Apicolordotic view is suggested;" medical examination on 3 August

2010 at the De la Salle University Medical Center resulted in the following diagnosis: "S/P Cerebro-Vascular Disease with right sided residuals; Hypertension, stage 2; Diabetes Mellitus, Type 2;" brain CT scan conducted on 4 March 2010, gave the following result: "Malacic changes, left temporal, left occipital and right lentiform nucleus with ex-vacuo dilatation of the temporal and occipital horns of the left lateral ventricle; sub-acute cerebral infarction, left temporo-parietal region;" on 10 March 2010, Manuel Teruel filed a claim for permanent disability benefits with the Social Security System; on 29 July 2009, the Social Security System approved Manuel Teruel's application for disability benefits, and awarded him P50,225.00, treating Manuel Teruel's illnesses as work-related; on 23 August 2010, Manuel Teruel died, and the cause of death was indicated in the Certificate of Death^[6] was "Immediate Cause: Pneumonia; Antecedent cause: Cerebro-Vascular Disease; Underlying cause: Hypertension; Other significant conditions: Diabetes Mellitus Type II;" respondent Armela filed this case in behalf of her father, before the Labor Arbiter, claiming death benefits and burial expenses against petitioners for Manuel Teruel's death.

The petitioners' Position Paper^[7] countered: respondent Armela is the alleged surviving adopted child of the late Manuel Teruel who, prior to his death, was employed as Oiler by petitioner Career Philippines Shipmanagement, Inc., on behalf of its foreign principal, petitioner Columbia Shipmanagement Ltd./Limassol, Cyprus; on 29 July 2008, Manuel Teruel signed a contract with petitioners under which he was hired as an oiler on board the vessel Cape Akrotiri, with a salary of US\$563.00 per month, under a nine-month POEA approved employment contract; Manuel Teruel boarded the vessel Cape Akrotiri from 3 August 2008 to 11 May 2009; Manuel Teruel returned to Manila on 13 May 2009 when his employment contract ended due, and received his final wages, and in a pro forma claim form, it was indicated that Manuel Teruel did not have any claims, and the box "Finished Contract" was checked; on 2 June 2009, Manuel Teruel received his leave pay credit; on 3 June 2009, Manuel Teruel signed and executed the discharge receipt and release of claim; Manuel Teruel did not have incident/accident/illness during his tenure on board the vessel; thereafter, petitioners did not hear from Manuel Teruel as regards any claim.

On 10 February 2012, the Labor Arbiter issued the Decision,^[8] the dispositive portion of which read:

WHEREFORE, forgoing premises considered, judgment is hereby rendered ordering respondents CAREER PHILIPPINES SHIPMANAGEMENT, INC. and/or COLUMBIA SHIPMANAGEMENT LTD., jointly and severally, to pay complainant ARMELA A. VELASCO:

- a) death benefits in the amount of US\$ 89,100.00;*
- b) burial expenses in the amount of US\$ 1,000.00; and*

<i>Sub-total</i>	<i>US\$</i>
<i>-</i>	<i>90,000.00</i>
<i>10%</i>	<i>9,010.00</i>
<i>attorney's fees -</i>	
<i>GRAND</i>	<i>- US\$</i>
<i>TOTAL</i>	<i>99,110.00</i>

c) attorney's fees equivalent to ten percent (10%) of the judgment award – for a total award of US\$99,110 or its peso equivalent at the time of actual payment.

All other claims are hereby ordered dismissed for lack of merit.

SO ORDERED.^[9]

Petitioners appealed the Labor Arbiter's Decision to the NLRC. On 29 June 2012, the NLRC issued the assailed Decision,^[10] which affirmed in toto the Labor Arbiter's Decision.

The petitioners filed Motion for Reconsideration.^[11] The NLRC denied petitioners' Motion for Reconsideration in the assailed Resolution^[12] dated 23 August 2012.

Thus, petitioners filed this Petition for Certiorari,^[13] making the following assignment of errors:

I. PUBLIC RESPONDENT NLRC COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR IN EXCESS OF ITS JURISDICTION, AND LIKEWISE SERIOUSLY ERRED WHEN IT AWARDED US\$99,110.00 AS DEATH BENEFITS OF A SEAFARER WHO FINISHED HIS CONTRACT WITHOUT ANY CLAIM FOR SICKNESS/INFIRMITY OR ANY ISSUE, AND DIED ONE YEAR AND THREE MONTHS AFTER REPATRIATION TO MANILA.

II. PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR IN EXCESS OF ITS JURISDICTION AND LIKEWISE SERIOUSLY ERRED WHEN IT RULED THAT PRIVATE RESPONDENT IS ENTITLED TO ATTORNEY'S FEES.

III. PUBLIC RESPONDENT GRAVELY ERRED IN AWARDING BENEFITS TO A CLAIMANT WHO HAS NOT ESTABLISHED HER RIGHT AS AN HEIR OR AS AN ADOPTED CHILD. TO MAKE MATTERS WORST, PRIVATE RESPONDENT PRODUCED COURT DECREE ADOPTION DOCUMENTS WHICH WERE CERTIFIED BY THE BRANCH CLERK OF COURT OF THE REGIONAL TRIAL COURT OF MALOLOS, BRANCH 77, AS "ALL FAKE."

The issue is whether the NLRC committed grave abuse of discretion in declaring that respondent Armela was entitled to death benefits, burial expenses, and attorney's fees for the death of Manuel Teruel.

The Petition for Certiorari argues in the affirmative. The NLRC committed grave abuse of discretion when it declared that respondent Armela was entitled to death benefits, burial expenses, and attorney's fees for the death of Manuel Teruel.

The Petition thrusts: the NLRC seriously erred when it awarded to respondent Armela US\$99,110.00 as death benefits for the death of Manuel Teruel, who finished his contract without any claim for sickness/infirmary or any issued, and died one year and 3 months after repatriation to Manila; while the rule is the employer can only be liable for death benefits if the death occurs during the term of the seafarer's contract, or occurs while the employee is in the service of the ship, or while the

employee is travelling to or from the ship, at the time of Manuel Teruel's death on 23 August 2010, Manuel Teruel was no longer under the employ of petitioners, because the employment contract had ended, thus there was no ground to award death benefits because Manuel Teruel died one year and 3 months after repatriation, and repatriation was due to finished contract; the NLRC gravely erred when it awarded death benefits despite the existence of a valid and legal release document (i.e., discharge receipt and release of claim) absolving petitioners from liability; the NLRC's reliance on the medical certificates submitted by the respondent Armela is misplaced, because the medical reports were all made more than six months after repatriation of Manuel Teruel; the medical reports do not trace, and did not connect the death of Manuel Teruel's to his work on board the vessel; Manuel Teruel failed to report to the company designated physician for the mandatory 3-day post-employment medical examination requirement upon his return to Manila, and this resulted to forfeiture of his benefits under the POEA SEC; the NLRC seriously erred when it ruled that respondent Armela is entitled to attorney's fees; the NLRC gravely erred in awarding benefits to respondent Armela who did not establish her right as an heir (i.e., as an adopted child); respondent Armela produced alleged court decree adoption documents, however the Branch Clerk of Court of the Regional Trial Court of Malolos, Branch 77, certified the documents as fake, thus respondent Armela has no real right to any claim against petitioners; respondent Armela is not the proper party in interest, not being an heir, nor an adopted child of Manuel Teruel.

In the Resolution dated 14 November 2012,^[14] we directed respondent Armela to file Comment to the Petition, and directed petitioners to file Reply to respondent Armela's Comment.

The respondent's Comment to Petitioners' Petition for Certiorari^[15] argues in the negative. The NLRC did not commit grave abuse of discretion when it declared that respondent Armela was entitled to death benefits and burial expenses for the death of Manuel Teruel.

The Comment parries: the NLRC did not commit grave abuse of discretion in issuing the assailed Decision; the controlling factor for an injury or an illness to be compensable under the POEA SEC is that the seafarer suffers work-related injury or contracted work-related illness during the term of his employment contract; respondent Armela established that Manuel Teruel contracted his illness on board the ship, and this sickness eventually caused his death, and the sickness is listed under Section 32-A of the POEA SEC as an occupational disease, hence it need not be proven; the failure to comply with 3-working day reporting requirement for post-employment medical examination refers only to medically repatriated seafarers, and Section 20 (B) (3) of the POEA SEC does not apply to the case of late Manuel Teruel, because Manuel Teruel is not a medical repatriate, but he was repatriated because the employment contract was finished; respondent Armela was compelled to litigate, due to petitioners' failure to satisfy her valid claim, thus she is entitled to attorney's fees of 10% of the total award at its peso equivalent at the time of actual payment; petitioners have no basis to collaterally attack the filiation between Manuel Teruel and respondent Armela; petitioners grounded their objection to the right of the respondent Armela, citing the the New Civil Code of the Philippines, while what is applicable now is the Family Code; respondent Armela did not register her objection to the petitioners' motion to expunge the decree of adoption documents, thus the decree of adoption submitted by the respondent Armela is deemed expunged from the records; respondent Armela is the only designated beneficiary of Manuel Teruel