

THIRD DIVISION

[G.R. No. 239257, June 21, 2021]

VENTIS MARITIME CORPORATION, AND/OR ST. PAUL MARITIME CORPORATION, PETITIONERS, VS. JOSEPH B. CAYABYAB, RESPONDENT.

D E C I S I O N

LOPEZ, J., J.:

This is a Petition for Review on *Certiorari*^[1] under Rule 45 of the Rules of Court, assailing the Decision^[2] dated September 25, 2017 and the Resolution^[3] dated May 4, 2018 of the Court of Appeals (CA) in CA-G.R. SP No. 139367. The challenged Decision held petitioners solidarity liable to pay respondent Joseph B. Cayabyab (Cayabyab) Grade 6 disability benefits based on their Collective Bargaining Agreement (CBA), while the assailed Resolution, denied petitioners' Motion for Partial Reconsideration on the CA Decision.

On July 9, 2012, Ventis Maritime Corporation (VMC), a local manning agency, hired Cayabyab on behalf of its foreign principal, St. Paul Maritime Corporation (SPMC), to work as a wiper on board its vessel "*M/V Dover Highway*" for a period of nine (9) months with a basic monthly salary of USD422.00.^[4]

Prior to his deployment, Cayabyab underwent a Pre-Employment Medical Examination (PEME) where he was declared fit for sea duty.^[5] In fulfilling the demands of his job, Cayabyab claimed he skipped meals to assist other crew members.^[6] After sometime, he experienced erratic sleeping patterns aggravated by poor nutrition.^[7] He began talking to himself^[8] and recited bible verses out of nowhere.^[9] One time, he thought that someone was about to kill him that he became paranoid, hysterical and violent, and had to be restrained by ten (10) crew members.^[10]

On February 25, 2013, the master of the vessel informed VMC of Cayabyab's strange behavior, which they observed to have manifested after the latter tried to contact his family.^[11] When the vessel reached the Port of Italy, Cayabyab was brought to a psychiatric clinic where he was confined for three (3) days.^[12] The attending doctor diagnosed him to be suffering from "*Occupational Stress Disorder*" and recommended his immediate repatriation on the ground of "*ACUTE PSYC[H]OSIS*."^[13]

Upon Cayabyab's arrival in the Philippines, VMC referred him to the company-designated physician, who endorsed him to a psychiatrist at the Philippine General Hospital (PGH).^[14] The psychiatrist prescribed him medication for schizophrenia^[15] and advised him to return on March 18, 2013.^[16] During his follow-up check-up on

said date, the psychiatrist declared that Cayabyab had a "*Brief Psychotic Episode*." [17]

Fortunately, Cayabyab's psychiatric evaluation showed improvement as he was already "*symptom-free despite withdrawal of his medicines*" on April 17, 2013. [18] Nonetheless, the company-designated physician regularly monitored his condition as seen from his succeeding check-ups on the following dates: April 17, 2013, May 15, 2013, May 31, 2013, June 14, 2013 and June 28, 2013. [19]

On July 12, 2013, the company-designated physician examined Cayabyab and reported his medical findings, viz.:

The patient complains of recurrent occipital headache with associated insomnia. He is conversant with limited verbal output. There is recurrence of auditory hallucination. Affect is slightly blunt.

Diagnosis:

Brief psychotic disorder. [20]

On July 15, 2013, the company-designated physician issued a Grade 6 Disability Assessment. [21] Displeased with such partial disability assessment, Cayabyab filed a Complaint for total and permanent disability benefits on July 29, 2013. [22]

On September 9, 2013, or several months after the filing of the Complaint, Cayabyab sought a second opinion from his personal physician, Dr. Elias D. Adamos (*Dr. Adamos*), [23] who advised him to continue with his medication. [24] After several check-ups and a series of tests, Dr. Adamos declared him to be suffering from total and permanent disability. [25]

Petitioners contended that Cayabyab was coping with a family problem, which caused his psychological breakdown. [26] Furthermore, they asserted that the partial disability assessment of the company-designated physician must prevail. [27]

After the parties submitted the necessary pleadings, the complaint was deemed submitted for decision.

Ruling of the Labor Arbiter

In his Decision dated February 21, 2014, Labor Arbiter Raymund M. Celino (*LA Celino*) awarded Cayabyab total and permanent disability benefits, the dispositive portion of which is quoted hereunder:

WHEREFORE, premises considered, respondents are hereby directed to pay complainant, jointly and severally, total and permanent disability benefits in the sum of US\$60,000.00 or its equivalent in Philippine Peso at the time of payment, plus 10% attorney's fees.

All other claims are dismissed for lack of merit.

SO ORDERED. [28]

Dismayed, petitioners appealed to the NLRC. [29]

Ruling of the NLRC

In its Decision dated October 31, 2014, the NLRC partially granted the appeal as it held VMC liable to pay Cayabyab only partial disability benefits corresponding to Grade 6 rating under the Amended Philippine Overseas Employment Administration-Standard Employment Contract (*POEA-SEC*), the dispositive portion of which states:

WHEREFORE, the appeal is **PARTIALLY GRANTED**. The February 21, 2014 Decision of Labor Arbiter Raymund M. Celino is hereby **MODIFIED** by declaring respondent Ventis Maritime Corporation liable to pay complainant Joseph B. Cayabyab disability benefits corresponding to Grade 6 disability rating under the Amended POEA-SEC.

SO ORDERED.^[30]

Aggrieved, Cayabyab filed a Motion for Reconsideration, but it was similarly denied by the NLRC, in its Resolution^[31] dated December 22, 2014. As per the Entry of Judgment dated March 31, 2015, the said Decision became final and executory and entered in the Book of Entries of Judgments on January 18, 2015.^[32]

Nevertheless, Cayabyab elevated the case to the CA via a Petition for *Certiorari*.^[33]

Ruling of the CA

The CA upheld the findings of the company-designated physician which classified Cayabyab's mental disorder as a partial disability with a Grade 6 rating.^[34] The CA gave more credence on the findings of the company-designated physician, on account of the following observations: *first*, Cayabyab failed to seasonably obtain an opinion from his personal physician before filing his complaint;^[35] *second*, four (4) months had passed before he sought to dispute the company-designated physician's assessment and during this interval, other factors could have aggravated his mental condition;^[36] and *third*, while he sought a second opinion from his personal physician, the latter's assessment regarding the former's mental state relied on the medical reports of the psychiatrist and the company-designated physician.^[37] The personal physician neither conducted further medical tests nor prescribed additional treatment or medication on him.^[38]

In this regard, the CA, in its Decision dated September 25, 2017, held the local agency VMC and its foreign principal SPMC, solidarity liable for the payment of Grade 6 disability benefits owing to Cayabyab, based on the parties' CBA, the dispositive portion of which states:

WHEREFORE, the instant "Petition for Certiorari (Under Rule 65 of the Rules of Court)" is **DENIED**. The assailed Decision dated October 31, 2014 and Resolution dated December 22, 2014 in NLRC NCR CN. (M) 07-10820-13/NLRC LAC No. (OFW-M) 04-000304-14 are hereby **AFFIRMED** with **MODIFICATION**. Private respondents Ventis Maritime Corporation (VMC) and St. Paul Maritime Corporation (SPMC) are hereby **ORDERED** to pay, jointly and severally, petitioner Joseph B. Cayabyab Grade 6 disability benefits in accordance with the collective bargaining agreement (CBA). The disability benefits are to be paid in Philippine pesos, computed at the exchange rate prevailing at the time of payment. Interest at the rate of 6% per annum is imposed on the judgment award,

to be computed from the finality of this Decision until such amount shall have been fully paid.

The company officer, Captain Wilfred D. Garcia, is absolved from any personal liability to petitioner Joseph B. Cayabyab.

SO ORDERED.^[39]

Dissatisfied, petitioners VMC and SPMC filed a Motion for Partial Reconsideration (MR) to question the applicability of the CBA on the following grounds: a) the Standard Terms and Conditions Governing the Employment of Filipino Seafarers On-Board Ocean-Going Vessels (POEA-SEC) should apply; and b) the CBA already expired last December 31, 2009.^[40] They also assailed the imposition of the six percent (6%) interest *per annum* on the judgment award.^[41]

On March 13, 2018, Cayabyab filed a Motion (To Issue Writ of Execution/Garnishment) to enforce the judgment award pursuant to the Decision of the NLRC, which attained finality on January 18, 2015.^[42]

On May 4, 2018, the CA rendered its challenged Resolution which denied petitioners' MR. The CA held that based on a letter dated August 16, 2017 of the union (AMOSUP-PTGWO-ITF), the provisions in the CBA pertaining to disability benefits are still in effect; thus, the CA applied the same, following the principle that any doubt should be resolved in favor of labor.^[43] Moreover, the imposition of the six percent (6%) interest was made pursuant to the ruling of the Court in *Nacar v. Gallery Frames, et al.*, (G.R. No. 189871, August 13, 2013).^[44] Hence, the CA disposed of the motion in this manner:

WHEREFORE, premises considered, the "Motion for Partial Reconsideration" filed by Ventis Maritime Corporation (VMC), St. Paul Maritime Corporation (SPMC), and Captain Wilfred D. Garcia is **DENIED**.

SO ORDERED.^[45]

Undeterred, petitioners filed the present petition raising the following assignment of errors:

I.

THE [CA] ACTED ON A GROSS MISAPPREHENSION OF FACTS WHICH RESULTED IN THE MISAPPLICATION OF LAW AND EXISTING JURISPRUDENCE THEREBY REACHING LEGAL CONCLUSIONS THAT ARE NOT ONLY CONTRARY TO THE FACTS CONCLUSIVELY ESTABLISHED BY UNCONTROVERTED EVIDENCE ON RECORD, BUT ALSO MANIFESTLY MISTAKEN, ABSURD AND IMPOSSIBLE, BASED AS THEY WERE ON SPECULATIONS, SURMISES AND CONJECTURES WHEN IT MODIFIED THE DECISION AND RESOLUTION OF THE NLRC;

II.

THE [CA] DECIDED IN A WAY NOT IN ACCORD WITH LAW OR WITH APPLICABLE DECISIONS OF THE SUPREME COURT IN APPLYING THE PROVISIONS OF THE ALLEGED CBA DESPITE THE FACT THAT NO

EVIDENCE WAS PRESENTED TO PROVE THAT THE PARTIES ARE COVERED THEREIN; and

III.

THE [CA] DECIDED IN A WAY NOT IN ACCORD WITH LAW OR WITH APPLICABLE DECISIONS OF THE SUPREME COURT AND IS AN AFFRONT TO PETITIONERS' RIGHT TO DUE PROCESS IN AWARDING 6% LEGAL INTEREST PER ANNUM DESPITE THE FACT THAT THE PRIVATE RESPONDENT FAILED TO ALLEGE THE SAME IN HIS PLEADINGS.^[46]

Petitioners assert in the main that the CA erred in applying the CBA in awarding partial disability benefits to Cayabyab, based on the following grounds: a) the CBA already expired when petitioner was hired on July 9, 2012, since it was only applicable from January 1, 2008 to December 31, 2009;^[47] b) assuming otherwise, the provisions of the POEA-SEC Contract should govern, because what is involved in this case is an "illness" and not an "injury due to an accident";^[48] and c) Cayabyab failed to prove that he is a member of the union covered by the CBA, which would entitle him to the benefits thereunder.^[49]

Moreover, the award of six percent (6%) interest *per annum* was not proper, because Cayabyab neither prayed nor claimed for the payment of interest in any of his pleadings.^[50]

During the pendency of the petition before this Court, LA Celina issued a Writ of Execution^[51] on August 20, 2018, to enforce the judgment award to Cayabyab, based on the NLRC Decision, which attained finality on January 18, 2015.^[52] By way of a Manifestation,^[53] petitioners, thru counsel, informed the Court that on September 11, 2018,^[54] they have tendered checks to the NLRC to satisfy the judgment award and necessary fees attendant in its execution.^[55] Thus, they prayed for the return or restitution of the full amount should the Court find any overpayment made to Cayabyab.^[56]

Sometime in December 2018, Cayabyab filed his Comment^[57] where he argued that the pieces of evidence submitted by petitioners to controvert the applicability of the CBA are irrelevant, on account of the following reasons: a) the AMOSUP letter dated April 21, 2010 pertains to the inquiry regarding the case of another seafarer, 2nd Mate Restituto T. Senoro, Jr., who suffered a stroke;^[58] b) the opinion of the AMOSUP in the said letter was made long before Cayabyab filed his claim for disability benefits; c) the AMOSUP letter dated August 16, 2017, was a general inquiry on the coverage of the CBA, which did not directly clarify its application on the disability claim of Cayabyab.^[59]

Likewise, the grant of the six percent (6%) interest *per annum* on the judgment award is proper, following the pronouncement of the Court in *Nacar v. Gallery Frames*,^[60] and *Bangko Sentral ng Pilipinas (BSP) Circular No. 799*, which took effect on July 1, 2013.^[61]

Petitioners met the contentions aforesaid, by way of a Reply,^[62] where they reiterated the main points in their petition.