

THIRD DIVISION

[G.R. No. 234711, March 02, 2020]

**DAISY REE CASTILLON, JUREEZE PHOEBE CASTILLON, AND
DREW WYATT CASTILLON, PETITIONERS, VS. MAGSAYSAY
MITSUI OSK MARINE, INC. AND/OR FRANCISCO D. MENOR
AND/OR MOL SHIP MANAGEMENT CO., LTD., RESPONDENTS.**

DECISION

LEONEN, J.:

In resolving claims under the Philippine Overseas Employment Administration Standard Employment Contract, the element of work-relatedness only demands a reasonable link between the illness and the seafarer's work. It is not required that the seafarer's work is the sole contributor or factor in the aggravation of the illness. The test is only reasonable proof of work-connection, and not direct causation.

This resolves a Petition for Review on Certiorari^[1] assailing the Decision^[2] and Resolution^[3] of the Court of Appeals. The Court of Appeals dismissed the petition and ruled that Junlou H. Castillon's illness and subsequent death is not compensable under the Philippine Overseas Employment Administration Standard Employment Contract.

Junlou H. Castillon (Castillon) was employed by Magsaysay Mitsui Osk Marine, Inc. (Magsaysay) as an Able Seaman for nine (9) months with a basic salary of US\$564.00. He underwent pre-employment medical examination and was declared fit to work. On February 23, 2009, he was deployed on board M/V Amethyst Ace.^[4]

In June 2009, Castillon complained of intermittent mild stomach pains but he later dismissed them as ordinary discomfort.^[5]

However, in August 2009, his stomach ache became severe and he discovered blood in his stool. While they were in Japan, a doctor examined him, declared him unfit for duty, and recommended his repatriation. The doctor further recommended laboratory tests to rule out malignancy due to Castillon's record of chronic hemorrhage and family history of intestinal malignancy.^[6]

On September 3, 2009, Castillon was repatriated to the Philippines. He reported his condition to Magsaysay, which then referred him to Medicross Health Management Hospital where he was diagnosed with abdominal mass and was recommended to undergo colonoscopy. The company-designated physician likewise determined that Castillon's condition "was not work-related."^[7]

Consequently, Castillon underwent colonoscopy and biopsy tests in Iloilo Doctors Hospital, as per his request since he stays in Iloilo.^[8] The tests showed that

Castillon had lymph nodes in his colon, resulting to Sigmoid Colon Carcinoma Stage III.B.^[9] Based on the results, Castillon was then endorsed for immediate operation.^[10] Castillon called the Claims Department of Magsaysay and informed them of the needed operation. Magsaysay provided the estimated operation cost of P100,000.00.^[11]

On November 3, 2009, Castillon was admitted to Iloilo Doctors Hospital where Dr. Maximo Nadala conducted the operation and subsequently endorsed Castillon for chemotherapy.^[12]

On December 12, 2009, Castillon asked for a quotation of expenses for the chemotherapy and sent Magsaysay a request for financial assistance.^[13]

On August 26, 2010, Magsaysay asked Castillon to go before the National Labor Relations Commission in Quezon City. In that instance, Castillon signed a pro-forma labor complaint against Magsaysay. The case was assigned to Labor Arbiter Melquiades Sol Del Rosario (Labor Arbiter Del Rosario). Immediately after, Castillon signed a quitclaim and received a check for P888,340.00 before Labor Arbiter Del Rosario.^[14] The quitclaim reads:

RELEASE OF ALL RIGHTS

READ CAREFULLY - By signing this you give up EVERY right you have.

I, JUNLOU H. CASTILLON ..., in exchange for TWENTY THOUSAND US DOLLARS ... which I have received, do hereby RELEASE (*Please write the word **RELEASE** to show that you know what you are doing*) and forever discharge: MAGSAYSAY MITSUI OSK MARINE[,] INC. AND MOL SHIP MANAGEMENT CO., LTD ... from each and every right and claim which I now have, or may hereafter have, ... on account of ... illness ... suffered by JUMLOU [sic] H. CASTILLON as follows:

Colonic Carcinoma Sigmoid Stage IV. with Urinary Bladder Invasion, ...

and in addition to that, I RELEASE (*Please write the word **RELEASE** to show that you know what you are doing*) them from each and every right and claim which I now have or may have because of any matter or thing which happened before the signing of this paper ...

....

Lastly, I certify that the contents of this Release have been translated to me in my national language/local dialect, which is Filipino, and that I fully understand its terms and provisions.

READ THE FOLLOWING STATEMENTS CAREFULLY:

- (1) I know that this paper is much more than a receipt. IT IS A RELEASE. I AM GIVING UP EVERY RIGHT I HAVE.
- (2) I know that in signing this Release I am, among other things,

now settling in full for all rights which I now have arising from
my ...
illness ...

....

(4) I am signing this release [sic] because I am getting the money, have not been promised anything else.

THE FOLLOWING [ARE] TO BE FILLED IN BY THE CLAIMANT IN HIS OWN HANDWRITING

- A. Have you read this paper from beginning to end? YES
- B. Do you know what this paper you are signing? [sic] YES
- C. What is this paper you are signing? RELEASE OF ALL RIGHTS
- D. Do you make the five (5) numbered statements above and do you intend that the parties whom you are releasing shall rely on the statements as truth? YES
- E. Do you know that signing this Release settles and ends EVERY right or claim you may have, whether it be based on contract, tort or on other grounds? YES

Therefore, I am signing my name upon the words THIS IS A RELEASE and alongside the seal, ... to show that I mean everything that is said on this paper.^[15] (Emphasis in the original)

On August 26, 2010, Labor Arbiter Del Rosario then issued an order of dismissal with prejudice.^[16]

Subsequently on October 1, 2010, after reflecting on what had transpired, Castillon decided to file a complaint against Magsaysay for claim of disability and other benefits. On May 5, 2011, the Labor Arbiter dismissed the case for lack of merit. Castillon moved for reconsideration but his motion was denied.^[17]

Castillon appealed before the National Labor Relations Commission but his appeal was likewise dismissed.^[18] The National Labor Relations Commission ruled that Labor Arbiter Del Rosario's order of dismissal with prejudice operated as *res judicata* on the present case, thus:

The records reveal that complainant executed a Release of All Rights, *Pagpapaubaya Ng Lahat Ng Karapatan*, Affidavit of Claimant and Receipt of Payment in favor of respondents. This [wa]s in consideration of the settlement amount of Twenty Thousand (US\$20,000.00) Dollars he received from the latter. Alongside with it, both parties executed and filed a Joint Motion to Dismiss before Labor Arbiter Melquiades Sol Del Rosario in NLRC-NCR Case No. (M) 08-12091-10. In said motion, they informed the Labor Arbiter that they have entered into a full and final amicable settlement of their impending case and of all claims that complainant has on respondents.

... one of the quitclaim documents executed by complainant is in the vernacular. From that alone, he cannot deny any knowledge and understanding of the contents thereof. Such was further bolstered by the

Joint Motion to Dismiss filed by him and respondents, attesting to their full settlement.^[19] (Emphasis in the original, citation omitted)

Castillon then filed a motion for reconsideration, but to no avail.^[20] Thus, he filed an appeal before the Court of Appeals, claiming that the proceedings before Labor Arbiter Del Rosario was a "sham[,]" because it was Magsaysay which caused the filing of the complaint. Moreover, he argued that he did not voluntarily sign the release document and the joint motion to dismiss. He further contended that he is entitled to full disability benefits of US\$60,000.00 because his illness is work-related.^[21]

The Court of Appeals dismissed the petition, thus:

WHEREFORE, the petition is **DENIED**. The NLRC's Decision dated October 28, 2011 and Resolution dated December 29, 2011 in NLRC Case No. OFW VAC-06-000027-201 are **AFFIRMED**.

SO ORDERED.^[22]

The Court of Appeals ruled that the release documents signed by Castillon barred him from claiming total disability benefits.^[23] The appellate court found that the quitclaim was "knowingly and voluntarily" executed by Castillon, considering the absolute character of the document.^[24] The Affidavit of Claimant executed by Castillon categorically stated that the US\$20,000.00 covered all benefits due to him under the Philippine Overseas Employment Administration Standard Employment Contract.^[25]

Moreover, the Court of Appeals pointed out that the document was translated and was signed by Castillon in both English and Filipino versions. Castillon also handwrote the word "RELEASE" and the affirmative responses to the clarificatory questions in the documents. Castillon cannot assail the validity of the quitclaim on the ground that it was Magsaysay who filed the complaint before the National Labor Relations Commission because he fully participated in the proceedings. It is also noteworthy that the quitclaim was presented to and approved by Labor Arbiter Del Rosario.^[26]

Further, the amount of US\$20,000.00 is already a fair and reasonable settlement of Castillon's claim, considering that his illness is not work-related. The Court of Appeals considered the determination of the company-designated physician, along with Castillon's family history of intestinal malignancy.^[27]

Thus, the Court of Appeals affirmed the National Labor Relations Commission's finding of *res judicata*. All elements of *res judicata* are present in this case: (1) the order of dismissal was final; (2) it was an adjudication on the merits because it was premised upon a settlement; (3) Labor Arbiter Del Rosario had jurisdiction over the subject matter and the parties; and (4) there is an identity of parties, subject matter, and causes of action.^[28]

Castillon moved for reconsideration, but was later denied by the Court of Appeals.^[29] Unfortunately, during the pendency of the motion for reconsideration, Castillon

died.^[30]

Castillon's widow and their two (2) children filed a Petition for Review on Certiorari before this Court assailing the Decision and Resolution of the Court of Appeals.^[31]

Petitioners argue that Castillon's execution of the quitclaim cannot be considered voluntary, taking into account his situation at that time. He was already weak and in dire need of financial assistance; thus, he was in a disadvantageous position when he signed the quitclaim.^[32]

Moreover, petitioners aver that Castillon is not precluded from claiming his full disability benefits because a quitclaim is not valid if the compensation is less than what the claimant is legally entitled to.^[33] In this case, Castillon is entitled to more than what respondents gave him. Respondents should have shouldered the total cost of chemotherapy amounting to P313,125.00, doctor's professional fee amounting to P400,000.00, sickness allowance for four (4) months amounting to US\$2,256.00, and full disability benefits of US\$60,000.00. Thus, the amount of P888,340.00 is not a fair and reasonable settlement of Castillon's claim.^[34]

Further, petitioners maintain that Castillon is entitled to full disability claim because his illness is work-related.^[35] To reiterate, before boarding, he was subjected to a pre-employment medical examination and was declared fit to work.^[36] He was diagnosed during the term of his contract and at the very least, the nature of his job aggravated his condition.^[37] His work was stressful and his meals on board were always canned goods, which are mostly high in fat. These facts were never disputed by respondents.^[38]

As to the declaration of the company-designated physician that Castillon's illness is not work-related, petitioners contend that this finding should be given scant consideration. Being the chosen physician of the respondents, the findings are clearly self-serving and biased.^[39]

Petitioners further argue that there is no *res judicata* in this case, because the proceedings before Labor Arbiter Del Rosario were fraudulent. The pro-forma complaint and the hurried dismissal with prejudice was orchestrated to take advantage of Castillon.^[40]

Petitioners claim that Castillon was only a layman and was not well-versed in legal matters. They alleged that it was Magsaysay who directed Castillon to sign a prepared pro-forma complaint, only to cause its immediate dismissal with prejudice.^[41]

In their Comment,^[42] respondents counter that Castillon's illness is not compensable under the Philippine Overseas Employment Administration Standard Employment Contract because it is not work-related.^[43] That he was declared fit to work prior to boarding and that he later on got sick while on board does not make his illness work-related.^[44]

Respondents aver that to be regarded as work-related, the illness must be one of