

SECOND DIVISION

[G.R. No. 247221, June 15, 2020]

WILFREDO LIM SALAS, PETITIONER, VS. TRANSMED MANILA CORPORATION, TRANSMED SHIPPING LTD., AND EGBERT M. ELLEMA, RESPONDENTS.

D E C I S I O N

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*^[1] are the Decision^[2] dated February 18, 2019 and the Resolution^[3] dated May 14, 2019 of the Court of Appeals (CA) in CA-G.R. SP No. 150519 which affirmed the Decision^[4] dated November 29, 2016 and the Resolution^[5] dated January 31, 2017 of the National Labor Relations Commission (NLRC) in NLRC LAC No. (OFW-M) 09-000644-16, finding petitioner Wilfredo Lim Salas (Salas) not entitled to disability benefits.

The Facts

On March 6, 2014, Salas was hired as Second Officer by respondent Transmed Manila Corporation (TMC) for its principal, Transmed Shipping Ltd. (TSL), on board the vessel M/V Coalmax for a period of eight (8) months.^[6] After undergoing the required pre-employment medical examination (PEME) where he was declared fit for duty by the company-designated physician, Salas boarded the vessel on April 4, 2014 and commenced his tour of duty.^[7] Upon the expiration of Salas' Contract of Employment on February 9, 2015, the parties agreed to extend the same for another two (2) months under the same terms and conditions.^[8]

Sometime in February 2015, Salas reported a generalized feeling of weakness, easy fatigability, loss of appetite, and difficulty in sleeping. He was brought to a hospital in Rio de Janeiro, Brazil, and thereat, was diagnosed to be suffering from diabetes mellitus and gouty arthritis (on both knees), for which reason he was declared unfit for work^[9] and **repatriated on March 21, 2015** for further medical evaluation and management.^[10]

Upon arrival in Manila, Salas was admitted at Marine Medical Services and referred to a company-designated physician for evaluation and management. He was brought to an orthopedic surgeon, Dr. Ferdinand Bernal (Dr. Bernal), who confirmed that his joint pains were due to gouty arthritis and opined that the illness was not work-related, considering that it is caused by an increased uric level in the blood and that based on medical science, the risk factors of said illness are high purine diet.^[11] Based on the foregoing, the company-designated physician, Dr. Margarita Justine O. Bondoc (Dr. Bondoc), in a private and confidential Medical Report^[12] dated March 23, 2015, informed TMC that Salas' diabetes mellitus is "*usually*

familial/hereditary," while his gouty arthritis "is a metabolic disorder secondary to a defect in purine metabolism and/or high purine diet," and hence, declared the same to be not work-related.^[13]

After a series of follow-up check-ups, the company-designated physician, in a Medical Report^[14] dated May 4, 2015, replied that Salas' range of motion on both knees were already normal with no swelling and noted the specialist's opinion that the former was "cleared mihopedic wise." For this reason, Salas was directed to undergo repeat laboratory examinations and to return on May 18, 2015 for his next follow-up check up.^[15] However, records fail to disclose whether or not the same was conducted or that there was any further update on the status of Salas' medical condition.

For his part, Salas claimed that his medical treatment was discontinued despite the fact that he was still suffering from bilateral knee pain and that his request for continued medical assistance was denied without furnishing him copies of his medical records or definite assessment. Consequently, Salas was compelled to consult an independent physician, Dr. Victor Gerardo E. Pundavela (Dr. Pundavela), who, in a Medical Certificate^[16] dated July 23, 2015, diagnosed him to have "Degenerative Osteoarthritis with Gouty [A]rthritis, bilateral knee; NTDDM controlled." Dr. Pundavela pointed out that aside from Salas' chronically elevated blood uric acid levels, the knee pain could be brought about by repeated stresses and strains to his knees while performing his tasks as a Second Officer. He explicated that joint stresses from prolonged standing and, at times, faulty work posture cannot be avoided and may have taken a toll on Salas' knees. Considering that Salas' bilateral knee pain significantly decreased his activity tolerance and can no longer be returned to his pre-injury capacity, he was found to be unfit to work as a seafarer.^[17]

Hence, Salas filed a complaint^[18] for disability benefits, moral and exemplary damages, and attorney's fees against TMC, TSL, and Egbert M. Ellema (respondents) before the NLRC, docketed as NLRC NCR Case No. (M) 11-13007-15.

In their defense, respondents countered that Salas is not entitled to disability benefits as provided under the 2010 Philippine Overseas Employment Administration-Standard Employment Contract (POEA-SEC) since his diabetes mellitus was declared by the company-designated physician to be not work-related, while his gouty arthritis, aside from also not being work-related, was a pre-existing illness. They likewise denied the claims for damages and attorney's fees for lack of factual and legal bases.^[19]

The Labor Arbiter Ruling

In a Decision^[20] dated June 28, 2016, the Labor Arbiter (LA) ruled in favor of Salas, ordering respondents to jointly and severally pay him US\$60,000.00 representing total and permanent disability benefits, as well as ten percent (10%) attorney's fees. The other claims were dismissed for lack of merit.

In so ruling, the LA held that Salas was able to establish a causal connection between his illnesses and the nature of his work as Second Officer to prove that he

was entitled to disability compensation. The LA noted that no contrary evidence was adduced to rebut Salas' claim that his gouty arthritis was aggravated by repeated stresses and strains to his knees. Moreover, although the May 4, 2015 Medical Report cleared Salas "orthopedic wise," the company-designated physician nonetheless failed to indicate if he was already fit to resume work. Accordingly, since Salas' illnesses rendered him totally and permanently incapable of resuming work for more than 240 days, he was granted the maximum disability compensation rate provided under the 2010 POEA-SEC.^[21]

Aggrieved, respondents filed an appeal^[22] to the NLRC.

The NLRC Ruling

In a Decision^[23] dated November 29, 2016, the NLRC reversed and set aside the LA's Decision and dismissed the complaint for lack of merit.^[24] It held that Salas failed to prove that his gouty arthritis and diabetes mellitus were work-related. It also did not give credence to the medical report of Salas' independent physician, Dr. Pundavela, pointing out that the latter's declarations were mere conjectures and as such, cannot be given weight. Moreover, it ruled that while the POEA-SEC creates a disputable presumption of work-relatedness, the seafarer must still prove by substantial evidence that his work conditions caused or at least increased the risk of contracting the disease, which Salas failed to show. Accordingly, absent any causal connection between the nature of Salas' work and the risk factors involved in the development of his ailments, the lapse of the 240-day period as basis of the award was rendered irrelevant.^[25]

Notably, Commissioner Nieves E. Vivar-De Castro (Commissioner Vivar-De Castro) tendered a dissent to the majority ruling, opining, *inter alia*, that "[s]ince there is no definitive final assessment as to [Salas'] ability to resume work as a seafarer, x x x Dr. Pundavela's July 23, 2015 Medical Report finding [Salas] partially and permanently unfit to work as a seafarer must be given credence. Said disability, having exceeded more than 240 days, is deemed total and permanent, by operation of law. As such, [Salas] is, without a doubt, entitled to compensation therefor under the POEA-SEC."^[26]

Salas' motion for reconsideration was denied in a Resolution^[27] dated January 31, 2017, prompting him to elevate the case *via* a petition for certiorari^[28] before the CA.

The CA Ruling

In a Decision^[29] dated February 18, 2019, the CA found no grave abuse of discretion on the part of the NLRC in dismissing the complaint for disability benefits. It ruled that Salas failed to prove that his illnesses were work-related under Section 32-A of the POEA-SEC. Further, it held that Salas failed to substantiate his claim that the nature of his job as Second Officer was a risk factor that aggravated his illnesses while he was onboard the vessel. It likewise noted that even Salas' independent physician failed to elaborate on how he arrived at his conclusion to justify the award of disability benefits. As such, the CA found no further need to discuss the nature of Salas' disability.^[30]

Salas' motion for reconsideration^[31] was denied in a Resolution^[32] dated May 14, 2019; hence, this petition.

The Issue Before the Court

The essential issue for the Court's resolution is whether or not the CA committed reversible error in upholding the finding that Salas is not entitled to total and permanent disability benefits.

The Court's Ruling

The petition is meritorious.

Section 20 (A) of the 2010 POEA-SEC, which applied at the time Salas executed his employment contract with respondents, states that:

SECTION 20. COMPENSATION AND BENEFITS

A. COMPENSATION AND BENEFITS FOR INJURY OR ILLNESS

The liabilities of the employer when the seafarer suffers **work-related** injury or illness **during the term of his contract** are as follows:

x x x x

2. x x x [I]f after repatriation, the seafarer still requires medical attention arising from said injury or illness, he shall be so provided at cost to the employer until such time he is **declared fit or the degree of his disability has been established by the company-designated physician.**

3. In addition to the above obligation of the employer to provide medical attention, the seafarer shall also receive sickness allowance from his employer in an amount equivalent to his basic wage computed from the time he signed off until he is declared fit to work or the degree of permanent disability has been assessed by the company-designated physician. The period within which the seafarer shall be entitled to his sickness allowance shall not exceed 120 days. Payment of the sickness allowance shall be made on a regular basis, but not less than once a month.

x x x x

For this purpose, the seafarer shall submit himself to a post-employment 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. In the course of the treatment, the seafarer shall also report regularly to the company-designated physician specifically on the dates as prescribed by the company-designated physician and agreed to by the seafarer. Failure of the seafarer to comply