

FIRST DIVISION

[G.R. No. 238578, June 08, 2020]

VENTIS MARITIME CORPORATION, K-LINE SHIPMANAGEMENT CO., LTD., JOSE RAMON GARCIA, AND CAPT. WILFRED D. GARCIA, PETITIONERS, VS. EDGARDO L. SALENGA, RESPONDENT.

DECISION

CAGUIOA, J:

Before the Court is a Petition for Review on Certiorari^[1] (Petition) under Rule 45 of the Rules of Court assailing the Decision^[2] dated October 24, 2017 and Resolution^[3] dated March 27, 2018 of the Court of Appeals (CA) in CA-G.R. SP No. 150484. The CA affirmed the findings of both the National Labor Relations Commission (NLRC) and the Labor Arbiter (LA) that respondent Edgardo L. Salenga (Salenga) was entitled to permanent and total disability benefits.

Facts

On January 7, 2015, Salenga was engaged by petitioner Ventis Maritime Corporation (Ventis), for its principal K-Line Shipmanagement Co., Ltd., as Chief Cook for nine months on board the vessel MT Viking River with a basic salary of US\$661.00. His employment was covered by a Collective Bargaining Agreement with IBF JSU/AMOSUP IMMAJ.^[4]

On October 31, 2015, Salenga's contract expired and he disembarked in South Korea. He arrived in the Philippines on November 1, 2015.^[5]

Salenga alleged that on November 3, 2015, he went to Ventis to get his unpaid wages and asked to be referred to a company physician for medical consultation. He was advised to wait for Ventis's call for his medical examination. He, however, executed a Debriefing Sheet stating, among others, that he had no complaints regarding the vessel and offered no suggestions to improve the working conditions therein.^[6] Likewise, Salenga executed a Clearance Form, certifying that he had worked inside the ship under normal conditions and that he was declared physically fit thereafter.^[7]

On November 22, 2015, Salenga was referred to PMP Diagnostic Center in preparation for his line-up on board his next embarkation^[8] and it was there that he was diagnosed by the company physicians with Type II Diabetes Mellitus and Hypertension. As such, his documents for line-up were withdrawn and he executed a Release and Quitclaim on December 9, 2015, releasing petitioners from all claims.^[9]

On December 10, 2015, after he suffered from dizziness and chest pains, Salenga

consulted a private physician, Dr. Erlinda Bandong-Reyes (Dr. Bandong-Reyes), who eventually issued a certification dated January 11, 2016 that Salenga had cardiovascular disease and Type II Diabetes Mellitus, and that he was permanently unfit for further sea duties and "entitled under POEA Disability Grade 1."^[10]

On February 4, 2016, Salenga filed a complaint for disability benefits, moral and exemplary damages, and attorney's fees against petitioners.^[11]

On March 14, 2016, another private physician, Dr. Wenceslao Llauderres (Dr. Llauderres), confirmed Dr. Bandong-Reyes's findings.^[12]

LA Decision

In his/her Decision dated May 18, 2016, the LA gave due course to the complaint and awarded Salenga with permanent and total disability benefits amounting to US\$96,909.00, with sickness allowance, moral and exemplary damages, and attorney's fees. The dispositive portion of the LA Decision states:

"WHEREFORE, premises considered, judgment is hereby rendered awarding Complainant total and permanent disability benefits including sickness allowance in the respective sums of US \$96,909 and \$2644, plus moral and exemplary damages of P50,000 each and attorney's fees equal to 10% of the total judgment awards.

All other claims are dismissed for lack of merit.

SO ORDERED."^[13]

According to the LA, the Clearance Form or the Quitclaim executed by Salenga cannot be used to deprive him of the benefits due him. These were against public policy as they were signed by Salenga who was not a medical practitioner.^[14] Moreover, the LA ruled that Salenga was able to prove that he reported to the company within three days from repatriation as this was admitted by petitioners, but that they treated Salenga as a signed-off employee and not one who was medically repatriated.^[15] As regards the work-relatedness of Salenga's illnesses, the LA ruled that since the medical reports confirm that Salenga was ill, it is reasonable to conclude that they were acquired or were aggravated on board the vessel as they could not only have been contracted upon his disembarkation.^[16] With respect to the award for moral and exemplary damages, the LA opined that petitioners were in bad faith for depriving Salenga of his right to medical evaluation.^[17] For having the power to put on hold Salenga's benefits, the individual officers of petitioners were made solidarily liable.^[18]

NLRC Decision

On appeal to the NLRC, the NLRC issued a Decision dated December 29, 2016 partially granting the appeal of petitioners, and modifying the LA's Decision by deleting the award for moral and exemplary damages as well as reducing the amount of disability benefits to US\$60,000.00. The dispositive portion of the NLRC Decision states:

"WHEREFORE, premises considered, the Appeal dated 18 May 2016 is PARTIALLY GRANTED. The assailed Decision dated 11 May 2016 is AFFIRMED WITH MODIFICATION .

The award of moral and exemplary damages [is] DELETED.

Respondents-appellants Ventis Maritime Inc., K-Line Shipmanagement Co., Ltd.. Jose Ramon Garcia and Capt. Wilfredo A. Garcia, are jointly and severally liable to pay complainant-appellee Edgardo L. Salenga, the following:

- 1) US\$60,000.00 as total and permanent disability benefits;
- 2) US\$2,644.00 as sickness allowance for 120 days; and
- 3) Attorney's fees equivalent to 10% of the total monetary award.

All other claims are dismissed for lack of factual or legal basis.

SO ORDERED."^[19]

The NLRC affirmed the factual findings of the LA and also accorded them great weight as they were supported by substantial evidence.^[20] The NLRC, however, found that Salenga failed to prove bad faith on the part of petitioners to warrant the award of moral and exemplary damages.^[21]

Petitioners moved for reconsideration but this was denied in the NLRC's Resolution dated February 14, 2017, prompting petitioners to file a petition for; *certiorari* with the CA.^[22]

CA Decision

In the assailed Decision, the CA dismissed the petition and affirmed the rulings of the NLRC. The dispositive portion of the CA Decision states:

WHEREFORE, the instant petition for certiorari is **DISMISSED**. The assailed NLRC *Decision* dated December 29, 2016, and *Resolution* dated February 14, 2017 are hereby **AFFIRMED**.

SO ORDERED.^[23]

The CA relied on the findings of the labor tribunals that the CA found to be supported by substantial evidence. The CA affirmed that Salenga's illnesses were work-related based on the medical evaluation of the company-designated physicians who found him suffering from Diabetes Mellitus Type II and cardiovascular disease.^[24] This was also supported by the medical assessment of Salenga's own doctors.^[25] The CA likewise found the award of attorney's fees proper because the withholding of wages need not be attended by bad faith or malice to warrant the grant of attorney's fees.^[26]

Petitioners moved for reconsideration but this was denied. Hence, this Petition.

Issue

Whether the CA is correct in affirming the NLRC ruling that Salenga is entitled to total and permanent disability benefits.

The Court's Ruling

The Petition is granted.

Although a Rule 45 petition is limited to questions of law, the Court may resolve questions of facts if the appealed decision is based on a misapprehension of facts.

[27] Although as a rule, the factual findings of the CA, especially if it affirms the factual findings of the labor tribunals, are binding on this Court, this rule does not find application when these are based on speculations, conjectures and surmises.

[28]

Here, the LA, NLRC, and CA erred in finding that Salenga's illnesses were work-related.

Section 20(A) of the 2010 Philippine Overseas Employment Administration Standard Employment Contract (POEA-SEC) is irrelevant if the seafarer did not suffer from an illness or injury during the term of his contract.

The seafarer's complaints for disability benefits arise from (1) injury or illness that manifests or is discovered **during** the term of the seafarer's contract, which is usually while the seafarer is on board the vessel or (2) illness that manifests or is discovered **after** the contract, which is usually after the seafarer has disembarked from the vessel. As further explained below, it is only in the first scenario that Section 20(A) of the POEA-SEC applies.

In ruling that Salenga is entitled to disability benefits, the CA ruled that he was able to show that his illnesses existed during the term of his contract, as follows:

The terms and conditions for claiming disability benefits by a seafarer against his employer are contained in the Standard Terms and Conditions Governing the Employment of Filipino Seafarers On-Board Ocean-Going Vessels (POEA-SEC). Specifically, Section 20[(A)]^[29] provides that the employer is liable for disability benefits when the seafarer suffers from a work-related injury or illness during the term of his contract. To be compensable, the injury or illness (1) must be work-related and (2) must have arisen during the term of the employment contract.

x x x x

Furthermore, [Salenga] was also able to show that his illness[es] existed during the term of his employment. There is sufficient basis to conclude that his illness[es] x x x developed while he was onboard, considering the

conditions of his workplace and the strain he experienced while attending to his duties on the vessel. The NLRC based its conclusion on the medical findings of Dra. Bandong-Reyes and Dr. L[.]auderes. These findings were contained in physicians' certifications which also state that [Salenga] is permanently unfit for further sea duties in any capacity. Clearly, the labor tribunals' ruling was not capricious or whimsical so as to constitute grave abuse of discretion, the conclusions being based on substantial evidence.

There was also no grave abuse of discretion on the part of the NLRC when it decided to give no evidentiary weight to the clearance and quitclaim that [Salenga] allegedly signed. These forms are pre-drafted and prepared by the company as pro forma waivers. These waivers are generally looked upon with disfavor and are largely ineffective to bar claims based on a worker's legal rights. Unless it can be established that the person executing the waiver voluntarily did so, with full understanding of its contents, and with reasonable and credible consideration, the same is not a valid and binding undertaking. Moreover, the burden to prove that the waiver or quitclaim was voluntarily executed is with the employer.^[30]

The CA's ruling is erroneous.

The CA concluded that Salenga's illnesses existed during the term of the contract on the basis of the medical findings of Dr. Bandong-Reyes and Dr. Llauderes. Their medical findings state:

This is to certify that, Mr. Edgardo Lacson Salenga x x x was seen and examined in this clinic from December 10, 2015 up to present, with the following findings and/or diagnosis:

Cardiovascular Disease
Type II Diabetes Mellitus

Patient is permanently unfit for further sea duties in any capacity and entitled under POEA Disability Grade 1 for severe residuals of impairment of intra-abdominal organs which requires regular aid and attendance that will [en]able worker to seek any gainful employment.

Such injury/illness[es] are work related since exposed to toxic and hazardous materials.^[31]

There is absolutely nothing in the foregoing that indicates, or even implies, that Salenga suffered from the illnesses during the term of his contract.

To the contrary, the evidence supports the conclusion that Salenga suffered from his illnesses **after the term of his contract**. After his arrival in the Philippines on November 1, 2015, Salenga executed a Debriefing Sheet stating, among others, that he had no complaints regarding the vessel and offered no suggestions to improve the working conditions therein,^[32] and a Clearance Form certifying that he had worked inside the ship under normal conditions and that he was declared physically fit thereafter.^[33] Given these admissions by Salenga that he had no complaints while he was on board the vessel and even declared that he was working