

FIRST DIVISION

[G.R. No. 184256, January 18, 2017]

**MAERSK FILIPINAS CREWING INC., AND MAERSK CO. IOM LTD.,
PETITIONERS, V. JOSELITO R. RAMOS, RESPONDENT.**

DECISION

SERENO, C.J.:

The Petition for Review^[1] before us assails the Decision^[2] and Resolution^[3] of the Court of Appeals (CA) in CA-G.R. SP No. 94964, affirming with modification the Resolution^[4] of the National Labor Relations Commission (NLRC). The CA affirmed the findings of the NLRC that petitioners Maersk Filipinas Crewing, Inc. (Maersk Inc.) and the Maersk Co. IOM, Ltd. (Maersk Ltd.) were liable to private respondent Joselito Ramos for disability benefits. The appellate court, however, deleted the awards for moral and exemplary damages.^[5]

As culled from the records of the CA, the antecedent facts are as follows:

The facts of the case from which the present petition arose show that on October 3, 2001, petitioner Maersk Ltd., through its local manning agent petitioner Maersk Inc., employed private respondent as able-seaman of M/V NKOSSA II for a period of four (4) months. Within the contract period and while on board the vessel, on November 14, 2001, private respondent's left eye was hit by a screw. He was repatriated to Manila on November 21, 2001 and was referred to Dr. Salvador Salceda, the company-designated physician, for [a] check-up.

Private respondent was examined by Dr. Anthony Martin S. Dolor at the Medical Center Manila on November 26, 2001 and was diagnosed with "corneal scar and cystic macula, left, post-traumatic." On November 29, 2001, he underwent a "repair of corneal perforation and removal of foreign body to anterior chamber, left eye." He was discharged on December 2, 2001 with prescribed home medications and had regular check-ups. He was referred to another ophthalmologist who opined that "no more improvement can be attained on the left eye but patient can return back to duty with the left eye disabled by 30%."

On May 22, 2002, he was examined by Dr. Angel C. Aliwalas, Jr. at the Ospital ng Muntinlupa (ONM), Alabang, Muntinlupa City, and was diagnosed with "corneal scar with post-traumatic cataract formation, left eye." On May 28, 2002, he underwent [an] eye examination and glaucoma test at the Philippine General Hospital (PGH), Manila.

Since private respondent's demand for disability benefit[s] was rejected by petitioners, he then filed with the NLRC a complaint for total permanent disability, illness allowance, moral and exemplary damages

and attorney's fees. The parties filed with the NLRC their respective position papers, reply, and rejoinder.

Meanwhile, in his medical report dated July 31, 2002, Dr. Dolor stated that although private respondent's left eye cannot be improved by medical treatment, he can return to duty and is still fit to work. His normal right eye can compensate for the discrepancy with the use of correctional glasses. On August 30, 2002, petitioners paid private respondent's illness allowance equivalent to one hundred twenty (120) days salary.

On October 5, 2002, private respondent was examined by Dr. Roseny Mae Catipon-Singson of Casa Medica, Inc. (formerly MEDISERV Southmall, Inc.), Alabang, Muntinlupa City and was diagnosed to have "traumatic cataract with corneal scarring, updrawn pupil of the anterior segment of maculopathy OS. His best corrected vision is 20/400 with difficulty." Dr. Catipon-Singson opined that private respondent "cannot be employed for any work requiring good vision unless condition improves."

On November 19, 2002, private respondent visited again the ophthalmologist at the Medical Center Manila who recommended "cataract surgery with intra-ocular lens implantation," after evaluation of the retina shall have been done."

In his letter dated January 13, 2003 addressed to Jerome de los Angeles, General Manager of petitioner Maersk Inc., Dr. Dolor answered that the evaluation of the physician from ONM could not have progressed in such a short period of time, which is approximately one month after he issued the medical report dated April 13, 2002, and a review of the medical reports from PGH and the tonometry findings on the left and right eye showed that they were within normal range, hence, could not be labeled as glaucoma.^[6]

On 15 May 2003, the labor arbiter (LA) rendered a Decision^[7] dismissing the Complaint:

WHEREFORE, premises considered, the instant complaint is DISMISSED for being prematurely filed. The parties are enjoined to comply with the provisions of the POEA Standard Contract in relation to the AMOSUP-MAERSK Company CBA. In the meantime, respondents Maersk Filipinas Crewing, Inc., and The Maersk Co., Ltd., are directed to provide continued medical assistance to complainant Joselito Ramos until he is declared fit to work, or the degree of his disability has been assessed in accordance with the terms of the contract and the CBA.

SO ORDERED.^[8]

The LA held that the Philippine Overseas Employment Administration (POEA)-approved contract and Collective Bargaining Agreement expressly provided for a situation in which the seafarer's appointed doctor disagrees with the company-designated physician. In this case, both parties may agree to the appointment of a third doctor, whose assessment would then be final on both parties.^[9] According to the LA, both failed to avail themselves of this remedy.

On 28 July 2003, respondent filed a Manifestation^[10] stating that on 21 July 2003, his counsel's messenger tried to file with the NLRC a Notice of Appeal with Memorandum of Appeal.^[11] However, upon arriving at around four o'clock in the afternoon, the messenger found that the NLRC office was already closed due to a jeepney strike. He then decided to file and serve copies of the notice with memorandum by registered mail. It was only on the next day, 22 July 2003, that the filing of the rest of the copies and the payment of fees were completed.^[12]

In reply to respondent's Manifestation, petitioners filed a Motion for Outright Dismissal on the ground that the appeal had been filed out of time.

In the meantime, on 30 July and 12 September 2003, respondent underwent cataract extraction on both eyes.^[13] On 7 January 2004, he was fitted with correctional glasses and evaluated. Dr. Dolor found that the former's "right eye is 20/20, the left eye is 20/70, and when both eyes are being used, his best corrected vision is 20/20." On the basis of that report, respondent was pronounced fit to work.^[14]

On 31 January 2006, the NLRC issued a Resolution^[15] granting respondent's appeal and setting aside the LA's decision:

WHEREFORE, premises considered, Complainant's appeal is partly GRANTED. The Labor Arbiter's Assailed Decision in the above-entitled case is hereby VACATED and SET ASIDE. A new one is entered ordering Respondents to jointly and severally pay Complainant the following: 1) disability compensation benefit in the amount of US \$6,270.00; 2) moral and exemplary damages in the form of interest at 12% of US \$6,270.00 per annum, reckoned from April 13, 2002, up to the time of payment of said disability compensation benefit; and 3) attorney's fees equivalent to 10% of his total monetary award.

SO ORDERED.^[16]

The NLRC found that it was not "[respondents] fault that he was not able to perfect his appeal on July 21, 2003, the latter part of said day having been declared non-working by NLRC NCR, itself. It is only just and fair, therefore, that Complainant should be given until the next working day to perfect his appeal."^[17]

As regards the need to appoint a third doctor, the NLRC found it unnecessary considering that "there is really no disagreement between respondents' company-designated physician and Complainant's physicians as to the percentage [30%] of visual impairment of his left eye."^[18] Thus, respondent was awarded disability compensation benefit in the amount of USD6,270 for Grade 12 impediment, moral and exemplary damages, and attorney's fees.^[19]

On 17 February 2006, petitioners filed a Motion for Reconsideration,^[20] which the NLRC denied in its Resolution dated 31 March 2006.^[21]

Upon intermediate appellate review, the CA rendered a Decision^[22] on 31 July 2007, the dispositive portion of which reads:

WHEREFORE, the assailed resolutions dated January 31, 2006 and March 31, 2006 of public respondent NLRC, 2nd Division, in NLRC NCR CA No. 037183-03 (NLRC NCR Case No. OFW-M-02-06-1591-00) are AFFIRMED with the MODIFICATION that the awards for moral and exemplary damages are DELETED.

SO ORDERED.^[23]

The CA affirmed all the findings of the NLRC on both procedural and substantive issues, but deleted the award of moral and exemplary damages, because there was no "sufficient factual legal basis for the awards x x x."^[24] Here, the appellate court held that respondent "presented no proof of his moral suffering, mental anguish, fright or serious anxiety and/or any fraud, malice or bad faith on the part of the petitioner."^[25] Consequently, there being no moral damages, the award of exemplary damages did not lie.^[26] However, because respondent was compelled to litigate to protect his interests, the CA sustained the award for attorney's fees.^[27]

On 24 August 2007, petitioners filed a Motion for Partial Reconsideration,^[28] arguing for the first time that respondent's appeal filed with the NLRC was not perfected within the reglementary period.^[29] They alleged that they received a copy of the Manifestation of respondent denying that he had authorized the Sapalo Velez Bundang & Bulilan Law Offices (SVBB) to continue representing him after the issuance of the LA's Decision on 15 May 2003.^[30] Hence, they argued respondent was not bound by the notice of appeal or by the decisions rendered by the NLRC.^[31]

On 8 August 2008, the CA issued a Resolution^[32] denying the aforementioned motion.^[33]

The CA held that respondent did not present any proof in support of his Manifestation that the SVBB had no authority to represent him before the NLRC or in the continuation of the case in court. The appellate court then ruled that the "presumption that SVBB is authorized to represent him before the NLRC and in the case at bar stands."^[34]

Hence, this appeal.^[35]

ISSUES

From the foregoing, the issues may be reduced to the following:

1. Whether counsel of respondent was authorized to represent the latter after the LA had rendered its Decision on 15 May 2003;
2. Whether respondent perfected his appeal to the NLRC; and
3. Whether respondent is partially disabled and therefore entitled to disability compensation.

THE COURT'S RULING

We shall deal with the issues *seriatim*.

The SVBB law firm is presumed to have authority to represent respondent.

Anent the first procedural issue, petitioners allege that although the authority of an attorney to appear for and on behalf of a party may be assumed, it can still be challenged by the adverse party concerned.^[36] In this case, petitioners argue that the presumption of the SVBB's authority to continue representing respondent was "destroyed upon his filing of the Manifestation" precisely denying that authority.^[37] It then follows that the appeal filed by the law firm was unauthorized. As such, the appeal did not prevent the LA Decision dated 15 May 2003 from attaining finality.^[38]

We disagree.

Section 21, Rule 138 of the Rules of Court^[39] provides a presumption on a lawyer's appearance on behalf of a client:

SEC. 21. *Authority of attorney to appear.* - An attorney is **presumed to be properly authorized to represent any cause in which he appears, and no written power of attorney is required to authorize him to appear in court for his client**, but the presiding judge may, on motion of either party and on reasonable grounds therefor being shown, require any attorney who assumes the right to appear in a case to produce or prove the authority under which he appears, and to disclose, whenever pertinent to any issue, the name of the person who employed him, and may thereupon make such order as justice requires. An attorney willfully appearing in court for a person without being employed, unless by leave of the court, may be punished for contempt as an officer of the court who has misbehaved in his official transactions. (Emphasis ours)

Aside from the presumption of authority to represent a client in all stages of litigation, an attorney's appearance is also presumed to be with the previous knowledge and consent of the litigant until the contrary is shown.^[40]

This presumption is strong, as the "mere denial by a party that he has authorized an attorney to appear for him, in the absence of a compelling reason, is insufficient to overcome the presumption, especially when denial comes after the rendition of an adverse judgment."^[41]

In his Manifestation, private respondent averred that he ceased communications with the SVBB after 15 May 2003; that he did not cause the re-filing of his case; and that he did not sign any document for the continuation of his case. However, he gave no cogent reason for this disavowal. As pointed out by the CA, he presented no evidence other than the denial in his Manifestation.

Moreover, respondent only sent his Manifestation disclaiming the SVBB's authority on 1 February 2007. It was submitted almost four years after the LA had dismissed his complaint for having been prematurely filed. By that time, through the SVBB's efforts, the NLRC had already rendered a Decision favorable to respondent.