

## FIRST DIVISION

**[ G.R. No. 198408, November 12, 2014 ]**

**CONCHITA J. RACELIS, PETITIONER, VS. UNITED PHILIPPINE LINES, INC. AND/OR HOLLAND AMERICA LINES, INC., \* AND FERNANDO T. LISING, RESPONDENTS.**

### D E C I S I O N

**PERLAS-BERNABE, J.:**

Assailed in this petition for review on *certiorari*<sup>[1]</sup> are the Decision<sup>[2]</sup> dated March 28, 2011 and the Resolution<sup>[3]</sup> dated August 26, 2011 of the Court of Appeals (CA) in CA-G.R. SP. No. 113835 which reversed and set aside the Decision<sup>[4]</sup> dated November 10, 2009 of the National Labor Relations Commission (NLRC) in NLRC LAC Case No. OFW (M)-05-000277-09, thereby dismissing the complaint for death benefits, burial assistance, moral and exemplary damages, and attorney's fees filed by petitioner Conchita J. Racelis (petitioner).

#### The Facts

On January 15, 2008, Rodolfo L. Racelis (Rodolfo) was recruited and hired by respondent United Philippine Lines, Inc. (UPL) for its principal, respondent Holland America Lines, Inc. (HAL) to serve as "*Demi Chef De Partie*" on board the vessel MS Prinsendam, with a basic monthly salary of US\$799.55.<sup>[5]</sup> The Contract of Employment<sup>[6]</sup> was for a term of four (4) months, extendible for another two (2) months upon mutual consent. After complying with the required pre-employment medical examination where he was declared fit to work, Rodolfo joined the vessel on January 25, 2008.<sup>[7]</sup> Prior thereto, Rodolfo was repeatedly contracted by said respondents and was deployed under various contracts since December 17, 1985.<sup>[8]</sup>

In the course of his last employment contract, Rodolfo experienced severe pain in his ears and high blood pressure causing him to collapse while in the performance of his duties. He consulted a doctor in Argentina and was **medically repatriated on February 20, 2008** for further medical treatment.<sup>[9]</sup> Upon arrival in Manila, he was immediately brought to Medical City, Pasig City, where he was seen by a company-designated physician, Dr. Gerardo Legaspi, M.D. (Dr. Legaspi), and was diagnosed to be suffering from Brainstem (pontine) Cavernous<sup>[10]</sup> Malformation.<sup>[11]</sup> He underwent surgery twice for the said ailment but developed complications<sup>[12]</sup> and **died on March 2, 2008.**<sup>[13]</sup> Through an electronic mail<sup>[14]</sup> (e-mail) dated July 22, 2008, a certain Dr. Antonio "Toby" Abaya (Dr. Abaya) informed Atty. Florencio L. Aquino, Managing Associate of the law firm of Del Rosario and Del Rosario,<sup>[15]</sup> counsel for UPL, HAL, and its officer, Fernando T. Lising (respondents),<sup>[16]</sup> that Rodolfo's illness was congenital and that there may be familial strains in his case,

hence, his death was not work-related.<sup>[17]</sup>

Rodolfo's surviving spouse, herein petitioner, sought to claim death benefits pursuant to the International Transport Workers' Federation-Collective Bargaining Agreement (ITWF-CBA),<sup>[18]</sup> of which her husband was a member, but to no avail. Consequently, she filed a Complaint<sup>[19]</sup> for death benefits, burial assistance, moral and exemplary damages, and attorney's fees against herein respondents before the NLRC, docketed as NLRC OFW Case No. (M) NCR-06-08452-08.

In their defense,<sup>[20]</sup> respondents maintained that petitioner is not entitled to death benefits under Section 20 (A) (1) of the 2000 Philippine Overseas Employment Administration Standard Employment Contract (2000 POEA-SEC). They averred that Rodolfo's illness, *i.e.*, Brainstem (pontine) Cavernous Malformation, was not work-related, considering that said illness is not listed as an occupational disease under the 2000 POEA-SEC.<sup>[21]</sup> They likewise pointed out that Rodolfo's death on March 2, 2008 did not occur during the term of his employment contract in view of his prior repatriation on February 20, 2008, hence, was non-compensable.<sup>[22]</sup> Moreover, they denied the claim for damages and attorney's fees for lack of factual and legal bases.<sup>[23]</sup>

### **The LA Ruling**

In a Decision<sup>[24]</sup> dated November 28, 2008, the Labor Arbiter (LA) ruled in favor of petitioner, and thereby ordered respondents to pay her death benefits pursuant to the ITWF-CBA in the amount of US\$60,000.00, burial assistance in the amount of US\$1,000.00, and attorney's fees equivalent to 10% of the total monetary awards.<sup>[25]</sup>

The LA held that Rodolfo's death was compensable as the illness that caused his death occurred in the course of his employment contract.<sup>[26]</sup> It was likewise ruled that while Brainstem (pontine) Cavernous Malformation is not among the listed occupational diseases under the 2000 POEA-SEC, the same was still compensable, noting that the same may have been contracted in the course of his engagement with respondents, which started back in 1985 under various employment contracts.<sup>[27]</sup> Also, the LA did not give credence to the medical opinion<sup>[28]</sup> of Dr. Abaya which was unsigned and not certified by said doctor himself, hence, had no evidentiary value. Further, the LA observed that there is no certainty as to the accuracy of the statement therein that the disease is congenital in origin.<sup>[29]</sup>

Unconvinced, respondents filed an appeal<sup>[30]</sup> before the NLRC.

### **The NLRC Ruling**

In a Decision<sup>[31]</sup> dated November 10, 2009, the NLRC affirmed the LA's verdict, holding that Rodolfo's illness is disputably presumed to be work-related and that since it supervened in the course of his employment, the burden is on the respondents to prove otherwise.<sup>[32]</sup> It held that the medical opinion of the company-designated physician, which showed that Rodolfo's ailment is not work-connected and may have pre-existed, is insufficient to rebut the presumption of

compensability.<sup>[33]</sup> It likewise pointed out that the occurrence of death after the term of the contract was immaterial since the proximate cause of Rodolfo's death was the illness that supervened during his employment.<sup>[34]</sup> Finally, the NLRC sustained the award of attorney's fees as petitioner was compelled to litigate to protect her rights and interests.<sup>[35]</sup>

Dissatisfied, respondents filed a motion for reconsideration<sup>[36]</sup> which was denied by the NLRC in a Resolution<sup>[37]</sup> dated March 11, 2010; hence, they elevated the matter to the CA via a petition for *certiorari*.<sup>[38]</sup>

Meanwhile, petitioner moved for the execution of the affirmed LA Decision, which was granted by the NLRC.<sup>[39]</sup> In consequence, respondents paid petitioner the amount of P3,031,683.00<sup>[40]</sup> as full and complete satisfaction of the said NLRC Decision, without prejudice to the outcome of the *certiorari* case before the CA.<sup>[41]</sup>

### **The CA Ruling**

In a Decision<sup>[42]</sup> dated March 28, 2011, the CA granted respondents' *certiorari* petition, and thereby annulled and set aside the ruling of the NLRC granting petitioner's claim for death benefits.

It held that Rodolfo's death on March 2, 2008 did not occur while he was in the employ of respondents, as his contract of employment ceased when he was medically repatriated on February 20, 2008 pursuant to Section 18 (B) (1) of the 2000 POEA-SEC.<sup>[43]</sup> Moreover, it observed that Rodolfo's illness cannot be presumed to be work-related, absent any proof to show that his death was connected to his work or that his working conditions increased the risk of contracting Brainstem (pontine) Cavernous Malformation that eventually caused his death.<sup>[44]</sup>

Aggrieved, petitioner sought for reconsideration<sup>[45]</sup> but was denied in a Resolution<sup>[46]</sup> dated August 26, 2011, hence, the instant petition.

### **The Issue Before the Court**

The essential issue for the Court's resolution is whether or not the CA erred in annulling the NLRC's grant of death benefits to petitioner on *certiorari*.

### **The Court's Ruling**

Deemed incorporated in every seafarer's employment contract, denominated as the POEA-SEC or the Philippine Overseas Employment Administration-Standard Employment Contract, is a set of standard provisions determined and implemented by the POEA, called the "Standard Terms and Conditions Governing the Employment of Filipino Seafarers on Board Ocean Going Vessels," which are considered to be the minimum requirements acceptable to the government for the employment of Filipino seafarers on board foreign ocean-going vessels.<sup>[47]</sup>

Among other basic provisions, the POEA-SEC – specifically, its 2000 version – stipulates that the beneficiaries of a deceased seafarer may be able to claim death

benefits for as long as they are able to establish that **(a) the seafarer's death is work-related**, and **(b) such death had occurred during the term of his employment contract**. These requirements are explicitly stated in Section 20 (A) (1) thereof, which reads:

## SECTION 20. COMPENSATION AND BENEFITS

### A. COMPENSATION AND BENEFITS FOR DEATH

1. In the case of **work-related death** of the seafarer, **during the term of his contract** the employer shall pay his beneficiaries the Philippine Currency equivalent to the amount of Fifty Thousand US dollars (US\$50,000) and an additional amount of Seven Thousand US dollars (US\$7,000) to each child under the age of twenty-one (21) but not exceeding four (4) children, at the exchange rate prevailing during the time of payment. (Emphases supplied)

After an assiduous examination of the records, and as will be expounded on below, the Court, similar to both the LA and the NLRC, finds that the above-stated requirements positively attend petitioner's claim for death benefits.

### **I. The Death of the Seafarer is Work-Related.**

In the recent case of *Canuel v. Magsaysay Maritime Corporation*<sup>[48]</sup> (*Canuel*), the Court clarified that the term "work-related death" refers to the seafarer's death resulting from a work-related injury or illness.

Under the 2000 POEA-SEC, the terms "work-related injury" and "work-related illness" are, in turn, defined as follows:

#### **Definition of Terms:**

For purposes of this contract, the following terms are defined as follows:

x x x x

11. Work-Related Injury – **injury(ies) resulting in disability or death arising out of and in the course of employment.**

12. Work-Related Illness – **any sickness resulting to disability or death** as a result of an occupational disease listed under Section 32-A of this contract with the conditions set therein satisfied. (Emphases supplied)

Case law explains that "[t]he words 'arising out of' refer to the origin or cause of the accident, and are descriptive of its character, while the words 'in the course of' refer to the time, place, and circumstances under which the accident takes place. As a matter of general proposition, an injury or accident is said to arise 'in the course of

employment' when it takes place within the period of the employment, at a place where the employee reasonably may be, and while he is fulfilling his duties or is engaged in doing something incidental thereto."<sup>[49]</sup>

In this case, respondents submit that petitioner was unable to prove that Rodolfo's illness, *i.e.*, Brainstem (pontine) Cavernous Malformation, which had supposedly supervened during the term of his employment on board the vessel MS Prinsendam, was not related to his work.<sup>[50]</sup> To bolster the argument, respondents point to the fact that Brainstem (pontine) Cavernous Malformation is not listed as an occupational disease under Section 32-A<sup>[51]</sup> of the 2000 POEA-SEC.

The contention is untenable.

While it is true that Brainstem (pontine) Cavernous Malformation is not listed as an occupational disease under Section 32-A of the 2000 POEA-SEC, Section 20 (B) (4) of the same explicitly provides that "[t]he liabilities of the employer when the seafarer suffers work-related injury or illness **during the term of his contract** are as follows: **(t)hose illnesses not listed in Section 32 of this Contract are disputably presumed as work related.**" In other words, the 2000 POEA-SEC "has created a disputable presumption in favor of compensability[,] saying that those illnesses not listed in Section 32 are disputably presumed as work-related. This means that even if the illness is not listed under Section 32-A of the POEA-SEC as an occupational disease or illness, it will still be presumed as work-related, and it becomes incumbent on the employer to overcome the presumption."<sup>[52]</sup> This presumption should be overturned only when the employer's refutation is found to be supported by substantial evidence,<sup>[53]</sup> which, as traditionally defined is "such relevant evidence as a reasonable mind might accept as sufficient to support a conclusion."<sup>[54]</sup> As held in the case of *Magsaysay Maritime Services v. Laurel*:<sup>[55]</sup>

Anent the issue as to who has the burden to prove entitlement to disability benefits, the petitioners argue that the burden is placed upon Laurel to prove his claim that his illness was work-related and compensable. Their posture does not persuade the Court.

True, hyperthyroidism is not listed as an occupational disease under Section 32-A of the 2000 POEA-SEC. Nonetheless, **Section 20 (B), paragraph (4) of the said POEA-SEC states that "those illnesses not listed in Section 32 of this Contract are disputably presumed as work-related." The said provision explicitly establishes a presumption of compensability although disputable by substantial evidence.** The presumption operates in favor of Laurel as the burden rests upon the employer to overcome the statutory presumption. Hence, unless contrary evidence is presented by the seafarer's employer/s, this disputable presumption stands. In the case at bench, other than the alleged declaration of the attending physician that Laurel's illness was not work-related, the petitioners failed to discharge their burden. In fact, they even conceded that hyperthyroidism may be caused by environmental factor.<sup>[56]</sup>