691 Phil. 521

SECOND DIVISION

[G.R. No. 193679, July 18, 2012]

C.F. SHARP CREW MANAGEMENT, INC., NORWEGIAN CRUISE LINES AND NORWEGIAN SUN, AND/OR ARTURO ROCHA, PETITIONERS, VS. JOEL D. TAOK, RESPONDENT.

D E C I S I O N

REYES, J.:

This is a petition for review on *certiorari* assailing the Decision[1] dated May 25, 2010 and Resolution[2] dated September 8, 2010 of the Court of Appeals (CA) in CA-G.R. SP No. 103728 for being contrary to law and jurisprudence.

The Facts

Petitioner C.F. Sharp Crew Management, Inc. (C.F. Sharp) is a domestic corporation engaged in the recruitment and placement of Filipino seafarers abroad. Petitioner Norwegian Cruise Line, Ltd. (Norwegian Cruise), C.F. Sharp's principal, is a foreign shipping company, which owned and operated the vessel M/V Norwegian Sun. C.F. Sharp, on Norwegian Cruise's behalf, entered into a ten (10)-month employment contract with respondent Joel D. Taok (Taok) where the latter was engaged as cook on board M/V Norwegian Sun with a monthly salary of US$396.00. Deemed written in their contract is the Philippine Overseas Employment Administration-Standard Employment Contract (POEA-SEC), which was issued pursuant to Department Order No. 4 of the Department of Labor and Employment and POEA Memorandum Circular No. 9, both series of 2000. Taok boarded the vessel on January 8, 2006.[3]

On July 25, 2006, Taok complained of pain in his left parasternal area, dizziness, difficulty in breathing and shortness of breath prompting the ship physician to bring him to Prince Rupert Regional Hospital in Canada for consultation. Taok was confined until July 29, 2006 and his attending physician, Dr. Johann Brocker (Dr. Brocker), diagnosed him with atrial fibrillation and was asked to take an anti-coagulant and anti-arrhythmic drug for four (4) weeks. He was advised not to report for work until such time he has undergone DC cardioversion, echocardiography and exercise stress test. Dr. Brocker projected that Taok may resume his ordinary duties within six (6) to eight (8) weeks.[4] On August 5, 2006, Taok was repatriated to the Philippines for further treatment.

On August 7, 2006, upon his arrival, Taok went to Sachly International Health Partners, Inc. (Sachly), a company-designated clinic, and the physician who attended to his case, Dr. Susannah Ong-Salvador, recommended the conduct of several tests while considering the possibility of atrial fibrillation.[5]

On September 18, 2006, Taok was once again examined at Sachly and his attending

physicians, including a cardiologist, diagnosed him with "cardiomyopathy, ischemic vs. dilated (idiopathic); S/P coronary angiography." Taok was advised to regularly monitor his Protime and INR and to continue taking his medications. He was asked to return on October 18, 2006 for re-evaluation.[6]

Taok did not subject himself to further examination. Instead, he filed on September 19, 2006 a complaint for total and permanent disability benefits, which was docketed as NLRC NCR OFW Case No. (L) 06-0902902-00 and raffled to Labor Arbiter Elias H. Salinas (LA Salinas).

In a Decision[7] dated March 7, 2007, the dispositive portion of which is quoted below, LA Salinas dismissed Taok's claim for total and permanent disability.

> WHEREFORE, premises considered, judgment is hereby rendered DISMISSING the complaint for permanent disability benefits for lack of merit. Respondents C.F. Sharp Crew Management, Inc. and Norwegian Cruise Line, Ltd. are however ordered to jointly and severally pay [Taok] the peso equivalent at the time of actual payment of the sum of US$1,584.00 as sickness wages plus the amount of ten percent thereof as attorney's fee.
>
> All other claims are ordered dismissed.
>
> SO ORDERED.[8]

LA Salinas ruled that Taok had no cause of action for total and permanent disability at the time he filed his complaint:

> Under the Amended POEA Standard Employment Contract, disability benefits are granted to a seafarer when he suffers a work-related illness and/or injury while working on board the vessel and such illness or injury renders him disabled. This is extant from Section 20(B) of the POEA Standard Employment Contract which is quoted hereunder:
>
> > *"B. 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 xxx xxx xxx"*
>
> Under the Amended POEA Contract, it is essential that the following requirements are met in order for a seafarer to be entitled to disability benefits:
>
> a. the seafarer suffers an illness or injury during his employment;
> b. that the illness [or] injury is proven to be work- related;

c. that the seafarer is declared disabled because of the illness or injury;
d. that the disability of the seafarer is assessed by the company doctor.

As borne out by the records, [Taok] filed the present claim for disability benefits on September 19, 2006. On said date, he was still undergoing treatment with the company-designated doctor. More importantly, there was still no assessment or declaration that the seafarer is disabled on said date. Hence, there was still no finding of disability on the part of [Taok].

It is therefore clear that [Taok] has no cause of action at the time that he instituted the present complaint. He was still undergoing treatment with the company-designated physician and there exists no medical finding that he was disabled. The allegation that "[Taok] feels that he is already unfit for sea duty as his condition is rapidly deteriorating" is not sufficient to give him a cause of action to lodge a complaint for disability benefits. [9]

LA Salinas also ruled that Taok failed to prove that his illness is work-related:

Under the Amended POEA Contract, the important requirement of work-relatedness was incorporated. The incorporation of the work-related provision has made essential the causal connection between a seafarer's work and the illness upon which the claim for disability is predicated upon.

In the case at bar, atrial fibrillation is not work-related since it is not an occupational disease under the Amended POEA Contract. Likewise, [Taok] failed to introduce credible evidence to show that his illness is work-related. It should be emphasized that it is [Taok] who has the burden of evidence to prove that the illness for which he anchors his present claim for disability benefits is work-related. As held in the case of Rosario vs. Denklav, G.R. No. 166906, March 16, 2005:

> "The burden is on the beneficiaries to show a reasonable connection between the causative circumstances in the employment of the deceased employee and his death or permanent total disability. Here, petitioner failed to discharge this burden."

In the present case, [Taok] has not presented any evidence to prove that his illness is work-related. Aside from his bare allegations that his illness is work-related, [Taok] miserably failed to introduce evidence to support such an allegation.

Thus, in the absence of substantial evidence, working conditions cannot

be presumed to have increased the risk of contracting the disease, (Rivera v. Wallem, G.R. No. 160315, November 11, 2005).[10]

Despite the unavailability of total and permanent disability benefits, LA Salinas ruled that Taok is entitled to sickness benefits. Specifically:

> However, with respect to [Taok's] claim for sickness wages, there is no evidence on record that the same had been duly paid by the [petitioners]. It should be stressed that parties have not disputed that [Taok] was repatriated for medical reasons. Though there is no proof that [Taok's] ailment is work-related that would have entitled him to the payment of disability benefits, the liability of the [petitioners] for the payment of [Taok's] sickness wages subsist pursuant to the provision of paragraph 3, B of Section 20 of the Standard Contract for Filipino Seafarers, to wit:
>
> > *"3. Upon sign off from the vessel for medical treatment, the seafarer is entitled to sickness allowance equivalent to his basic wage until he is declared fit to work or the degree of permanent disability has been assessed by the company-designated physician but in no case shall the period exceed one hundred twenty (120) days."*
>
> Thus, it stands to reason that [Taok] should be paid his sickness wages equivalent to his four months salary in the amount of US$1,584.00.[11]

Taok appealed to the National Labor Relations Commission (NLRC) and presented two (2) medical certificates to support his claim for total and permanent disability benefits. The medical certificate dated December 4, 2006, which was issued by Dr. Francis Marie A. Purino, stated that Taok was suffering from cardiomyopathy and moderately severe systolic dysfunction.[12] The medical certificate dated June 13, 2007, which was issued by Dr. Efren R. Vicaldo (Dr. Vicaldo), stated that Taok manifested signs compatible with those of atrial fibrillation and declared him unfit for sea duty. Dr. Vicaldo declared that Taok's illness is work-related.[13]

In a Resolution[14] dated November 19, 2007, the NLRC affirmed the dismissal of Taok's complaint:

> Upon the other hand, before the seafarer may be entitled to disability compensation, the following conditions must be sufficiently established by the seafarer like [Taok]:
>
> > "1. That the illness/injury was suffered during the term of employment;
> > 2. That the illness/injury is work-related;
> > 3. That the seafarer report to the company-designated physician for a post[-]employment medical

examination and evaluation within three (3) working days from the time of his return; AND

4. That any disability should be assessed by the company-designated physician on the basis of the Schedule of Disability Grades as provided under the POEA-SEC."

A careful scrutiny of the records, however, reveals that [Taok] failed to establish or satisfy all the foregoing requirements. While his illness manifested during the term of his employment and he reported to the company-designated physician for post[-]employment medical examination within the required period, there is no showing that his illness is work-related and that as a consequence of such work-related illness, he is suffering from a disability assessed by a company[-] designated physician on the basis of the Schedule of Disability Grades specified under the POEA-SEC. In fact, as aptly observed by the Labor Arbiter[,] when [Taok] instituted his complaint for disability benefits barely a month after his repatriation, he was still undergoing treatment and evaluation by the company-designated physician. Thus, there was still no finding as to whether or not his ailment is work-related and whether or not he is suffering from any disability. x x x[15]

Taok moved for reconsideration but this was denied by the NLRC in a Resolution[16] dated March 18, 2008.

Taok, thus, filed with the CA a petition for *certiorari* under Rule 65 of the Rules of Court, alleging that the assailed issuances of the NLRC were attended with grave abuse of discretion. The CA, in its Decision[17] dated May 25, 2010 agreed with Taok and reversed the findings of the NLRC:

WHEREFORE, premises considered, the assailed Decision of the NLRC in NLRC NCR CA No. 052971-07 is hereby **REVERSED** and **SET ASIDE**. Private respondents C.F. SHARP CREW MANAGEMENT, INC., ARTURO ROCHA, NORWEGIAN CRUISE LINE and NORWEGIAN SUN, are **ORDERED** to pay jointly and severally the amount of **US$60,000.00** as permanent and total disability benefits of [Taok] and **US$1,584.00** as sickness wages plus the amount of **ten (10) percent** thereof as attorney's fee.

SO ORDERED.[18]

In holding that petitioners are liable for total and permanent disability benefits, the CA ruled that: (a) Taok's illness is compensable under Section 32-A of POEA-SEC; and (b) since Taok was asymptomatic prior to boarding and he manifested signs of his illnesses while under the petitioners' employ, the causal relationship between his work and his illness is presumed pursuant to paragraph 11(c) of Section 32-A of POEA-SEC and the petitioners failed to prove the contrary: