

FIRST DIVISION

[G.R. No. 179802, November 14, 2008]

**MAGSAYSAY MARITIME CORP. AND/OR CONRADO N. DELA CRUZ
AND ODF JELL ASA, PETITIONERS, VS. JAIME M. VELASQUEZ
AND THE HONORABLE COURT OF APPEALS, RESPONDENTS.**

DECISION

LEONARDO-DE CASTRO, J.:

Before the Court is a petition for review of the Decision^[1] of the Court of Appeals (CA) in CA-G.R. SP No. 97098, which reversed and set aside the June 23, 2006 decision^[2] and September 21, 2006 resolution^[3] of the National Labor Relations Commission (NLRC) in NCR Case No. 044854-05.

The facts, as culled from the record, are as follows.

Respondent Jaime M. Velasquez was hired by petitioner Magsaysay Maritime Corporation as second cook for its foreign principal, co-petitioner ODF Jell ASA. The parties had a considerably long employment history covered by about ten (10) employment contracts wherein petitioners engaged respondent's services on board vessels owned by ODF Jell ASA. On July 28, 2003, while on duty as second cook on board the vessel M/T Bow Favour, respondent suffered high fever and was unable to work. He took fever relieving medicine but his condition worsened. By the fourth day, his body temperature reached 40.9°C. His extremities were swollen and he could not walk. He also had edema in the abdominal area. Respondent was brought to a hospital in Singapore where he was confined from August 12 to October 13, 2003. Thereafter, he was repatriated to the Philippines.

It is from this point onwards that the allegations of the parties differ.

In his pleadings, respondent alleged that upon his repatriation, he was not confined to St. Luke's Medical Center as he expected. He claimed that he was compelled to seek medical treatment from an independent doctor. On November 13, 2003, he consulted a certain Dr. Efren Vicaldo (Dr. Vicaldo) who diagnosed him to be suffering from *staphylococcal bacteremia, multiple metastatic abscesses, pleural effusion and hypertension* and declared his disability as Impediment Grade 1 (120%). Dr. Vicaldo further concluded that respondent was "unfit to resume work as seaman in any capacity." Hence, respondent filed a claim for disability benefits, illness allowance/reimbursement of medical expenses, damages and attorney's fees but petitioners refused to pay.

Petitioners, on the other hand, maintained that upon respondent's repatriation on October 13, 2003, he was immediately referred to a company designated physician for further medical care and treatment; that the initial impression was *Systemic Staphylococcal Infections; Resolving*; that he was under the care of said physician

for three (3) months during which he underwent extensive medications and treatment; that he was admitted and confined at St. Luke's Medical Center from October 13, 2003 to November 11, 2003; that progress reports on his recovery have been issued; that by January 5, 2004, respondent was declared as "cleared to work resumption as seafarer"; and that petitioners were the ones who shouldered respondent's hospitalization expenses.

On March 29, 2005, the Labor Arbiter rendered a decision in favor of respondent. Dispositively, the decision reads:

WHEREFORE, premises all considered, judgment is hereby rendered ordering the respondents Magsaysay Maritime Corporation and/or Conrado N. Dela Cruz and ODF Jell ASA to pay complainant Jaime M. Velasquez the amount of SIXTY TWO THOUSAND TWO HUNDRED SIXTY US DOLLARS (US\$62,260.00) or its equivalent in Philippine Peso at the prevailing rate of exchange at the time of actual payment representing his disability benefits and sickness allowance and 10% of the total monetary award by way of attorney's fees.

All other claims are DISMISSED for lack of merit.

SO ORDERED.

From the foregoing decision, petitioners filed an appeal with the NLRC, alleging serious errors in the factual findings of the Labor Arbiter.

Upon review of the records, the NLRC made the following findings:

A careful review of the records shows that, in not one instance did complainant, by way of a contrary medical finding, assail the diagnosis arrived at by the company designated physician, Dr. Natalio G. Alegre II. As noted, the findings of Dr. Efren Vicaldo, complainant's private physician, and those of Dr. Alegre, bear consistency with each other save for his hypertensive condition. Above all these, complainant's credibility suffered a serious setback when he declared that he was seen by Dr. Alegre only twice and that there was no treatment given to him since repatriation (Records, pp. 88-89). Records belie such assertion. Copies of the medical reports accomplished by the company accredited physician would show that he was examined and treated by the latter for no less than eight (8) times (Records, pp. 128-135). As gleaned therefrom, complainant was placed under the care and supervision of Dr. Alegre for about ninety (90) days, his admission at St. Luke's Medical Center being on 13 October 2003 and with his discharge being had only on 11 November 2003. This negates anew complainant's claim that he was not treated at St. Luke's Medical Center. Further, on dates of 18 November 2003, 21 November 2003, December 1, 2003, December 4, 2003 and December 15, 2003, medical certificates of even dates bore results of complainant's physical examination. Finally, on 5 January 2004, complainant was cleared for sea duties, on the basis of the following findings:

"His infection has already subsided and resolved.

He has been off his anti-hypertensive medication for 1 week and his blood pressure is still acceptable at 140/90.

Regular intake of anti-hypertensive medications is advised for strict compliance so that hypertension is controlled to prevent complications."

Given the earlier adverted consideration on such want of credence on complainant's part as gleaned from his assertions which were easily controverted by evidence on record, such notable conjectural tenor on the part of complainant's private physician as to the possible effects of his alleged hypertensive condition cannot be taken as sufficient basis to overcome the correctness of the medical findings arrived at by Dr. Alegre, not to mention that complainant was examined by his chosen physician only once. Aside from his alleged hypertensive condition which could be addressed to by oral medication, there exists no evidence that there is a direct causal connection between said alleged hypertensive condition and a condition of permanent and total disability being claimed by the complainant. Accordingly, the claim must be denied.

On June 23, 2006, the NLRC rendered a decision reversing that of the Labor Arbiter and dismissed respondent's complaint for lack of merit. The dispositive portion of the NLRC decision reads:

WHEREFORE, premises considered, the decision under review is hereby **REVERSED** and **SET ASIDE** and another entered, **DISMISSING** the complaint for lack of merit.

SO ORDERED.

In arriving at such a disposition, the NLRC held:

Weighty considerations anchored on principles governing contracts and jurisprudence in support thereof find the complainant to observe its commitments under the POEA Standard Employment Contract (Article 1159, Civil Code of the Philippines). Said contract of employment specifically mentions that fitness to work or the degree of disability of a seafarer is within the competence of a company designated physician to establish (Section 20 (b), No. 2, paragraph 2 of the POEA Standard Employment Contract). Stated otherwise, the seaman is bound by the declaration of the company designated physician concerning his physical condition in relation to his work. Given this situation, the burden of proof rests upon him in order to establish the disability alleged in such findings. Whether complainant was successful in countering the declaration of fitness to work by the company designated physician, is a matter that merits serious concern.

Aggrieved, respondent elevated the matter to the CA *via* petition for certiorari.

On April 25, 2007, the CA rendered the herein challenged Decision setting aside the decision of the NLRC and reinstating that of the labor arbiter. The CA ratiocinated thus:

That the company-designated physician did declare that petitioner is fit to sea duty should not prejudice petitioner's claim for disability benefits. In the first instance, it is well to note that there is doubt and question as to the accuracy of the declaration of the Dr. Alegre's "cleared to work resumption as seafarer." Such certification should not be taken as the only primary consideration, especially when there is contra finding by another doctor giving doubt to the findings of the company-designated physician. As held in the case of *Wallem Maritime Services, Inc. vs. NLRC*, "opinions of petitioner's doctor to this effect should not be given evidentiary weight as they are palpably self-serving and biased in favor of petitioners, and certainly could not be considered independent." The medical findings of Dr. Alegre, unsubstantiated by any other evidence, are suspect for being biased in favor of the private respondent. In the present case, petitioner has been rendered incapable of further pursuing his usual work because of his weakened bodily condition due to illness contracted during his employment. It is undisputed that petitioner had been under the employ of respondents since 1992 and had finished ten (10) contracts with them on board as second cook. While considering this long stint with the respondent, his non-redeployment more so puts in doubt the claim of respondent that petitioner was indeed fit to work. Moreover, it is well settled that strict rules of evidence are not applicable in claims for compensation and disability benefits. Petitioner having substantially established that he could not able to perform the same work as he used to before his repatriation, and was found both by his independent physician and Gleneagles Hospital in Singapore suffering from severe hypertension as well as other diagnosed illnesses which were contracted as a result of his exposure to the risks involved in the performance of his job, we find the NLRC to have acted in grave abuse of discretion in reversing and setting aside the decision of the Labor Arbiter awarding disability claims to petitioner.

Petitioners are now before the Court principally contending that the CA committed reversible error when it upheld the findings of respondent's private physician rather than the findings of the company-designated physician.

We grant the petition.

The standard employment contract for seafarers was formulated by the Philippine Overseas Employment Agency (POEA) pursuant to its mandate under Executive Order No. 247 to "secure the best terms and conditions of employment of Filipino contract workers and ensure compliance therewith" and to "promote and protect the well-being of Filipino workers overseas."^[4] Section 29 of the 1996 POEA Standard Employment Contract (POEA Contract) itself provides that "[a]ll rights and obligations of the parties to [the] Contract, including the annexes thereof, shall be governed by the laws of the Republic of the Philippines, international conventions, treaties and covenants where the Philippines is a signatory." Even without this provision, a contract of labor is so impressed with public interest that the New Civil Code expressly subjects it to "the special laws on labor unions, collective bargaining, strikes and lockouts, closed shop, wages, working conditions, hours of labor and similar subjects."^[5]

The POEA Contract is clear in its provisions when it provided who should determine