512 Phil. 317

FIRST DIVISION

[G.R. No. 154460, November 22, 2005]

LAURO C. DEGAMO, PETITIONER, VS. AVANTGARDE SHIPPING CORP., AND/OR LEVY RABAMONTAN AND SEMBAWANG JOHNSON MGT. PTE. LTD., RESPONDENTS.

D E C I S I O N

QUISUMBING, J.:

Before us is a petition for review of the Resolutions dated May 23, 2002[1] and July 9, 2002[2] of the Court of Appeals in CA-G.R. SP No. 70663 denying petitioner's motion for extension of time to file petition and his motion for reconsideration.

On November 8, 1994, respondent Avantgarde Shipping Corporation (Avantgarde), acting in behalf of its foreign principal, respondent Sembawang Johnson Management, Pte., Ltd. (Sembawang), hired petitioner Lauro C. Degamo as Oiler of the vessel Nippon Reefer for a period of ten months.[3] While working in the vessel's engine room, a spanner dropped and hit petitioner on his right thigh. He required surgery and hospitalization. When he returned to the ship after a few days, his medical condition got worse. Consequently, he was repatriated to the Philippines on March 4, 1995.

Immediately upon his arrival, petitioner reported to respondent Avantgarde's office, but since it was a Saturday and there was no one to assist him, he went to his relatives in Cebu and was operated at Metro Cebu Community Hospital. Avantgarde paid all his hospital bills and promised to work out his sickness benefit with Sembawang as soon as he was declared fit to work. Petitioner was required to rest, and he received treatment until early 1997. On September 11, 1997, petitioner was declared fit to work.

On December 24, 1997, petitioner asked Avantgarde to pay his sickness benefits. On January 6, 1998, Avantgarde replied that it could no longer act on petitioner's claim as he had deviated from the legal procedure and, should he wish, he could personally follow-up with Sembawang. On March 4, 1998 and May 5, 1998, petitioner wrote a letter to Sembawang regarding his claim. Sembawang did not reply.

On March 2, 2001, petitioner lodged a complaint for payment of disability benefits and other money claims against the respondents with the Regional Arbitration Board. The labor arbiter dismissed the case without prejudice, stating that the action had already prescribed.[4] On appeal, the National Labor Relations Commission (NLRC) likewise ruled that petitioner's cause of action had prescribed as a mere letter of demand would not toll the prescriptive period for filing the complaint. Petitioner's motion for reconsideration was denied.

Petitioner, after moving for extension of thirty days from April 16, 2002 to file a petition for *certiorari* before the Court of Appeals, filed the petition on May 15, 2002. On May 23, 2002, the appellate court denied the motion for extension on the ground that only a maximum of fifteen days extension is allowed under Section 4, Rule 65 of the Rules of Court and extreme work pressure is not a compelling reason. On July 9, 2002, it also denied petitioner's motion for reconsideration.

Petitioner now comes before us raising the following issues:

> I. WHETHER OR NOT THE COURT OF APPEALS ERRED IN ISSUING ITS FIRST CHALLENGED ORDER DATED MAY 27, 2002 [should be May 23, 2002], DENYING PETITIONER'S URGENT MOTION FOR EXTENSION OF TIME TO FILE PETITION FOR CERTIORARI AND LATER DENYING HIS MOTION FOR RECONSIDERATION IN THE SECOND CHALLENGED ORDER DATED JULY 9, 2002 ON PURELY TECHNICAL GROUNDS.
>
> II. WHETHER OR NOT THE COURT OF APPEALS ERRED WHEN IT REFUSED TO GIVE DUE COURSE TO THE PETITION, IN SO DOING DENYING THE RIGHT OF PETITIONER TO DUE PROCESS DESPITE THE INHERENT MERITS OF HIS CAUSE, THAT IS:
>
> That, the NLRC committed grave error when it refused to grant the appeal filed by petitioner and/or reversing the dismissal of the complaint of petitioner by the Labor Arbiter on ground of prescription of actions.[5]

Simply, we are asked now to resolve (1) whether petitioner's cause of action had already prescribed, and (2) whether the Court of Appeals properly denied petitioner's motion for extension.

Petitioner, citing Article 1155[6] of the New Civil Code, contends that his cause of action had not prescribed as the running of the prescriptive period was tolled by his extrajudicial demand for unpaid sickness benefits on December 24, 1997.

Respondents counter that the Civil Code provision on extinctive prescription applies only to obligations that are intrinsically civil in nature and is inapplicable to labor cases. Respondents assert that petitioner's demand was made more than one year from his date of arrival in the Philippines, contrary to what is prescribed in Section 28[7] of the Philippine Overseas Employment Administration (POEA) Memorandum Circular No. 55, Series of 1996.[8] They add that the institution of the action was beyond the three-year period prescribed in Article 291 of the Labor Code as his employment with the respondents' ended on March 4, 1995 but the complaint was filed only on March 2, 2001.

We note that POEA Circular No. 55, Series of 1996 became effective only on January 1, 1997 while the employment contract between the parties was entered earlier on November 8, 1994. The earlier standard employment contract issued by the POEA did not have a provision on prescription of claims. Hence, the applicable provision in this case is Article 291 of the Labor Code which we shall now discuss.

In *Cadalin v. POEA's Administrator*,[9] we held that Article 291 covers all money claims from employer-employee relationship and is broader in scope than claims