

THIRD DIVISION

[G.R. No. 142049, January 30, 2001]

**GERMAN MARINE AGENCIES, INC. AND LUBECA MARINE
MANAGEMENT HK LTD., PETITIONERS, VS. NATIONAL LABOR
RELATIONS COMMISSION AND FROILAN S. DE LARA,
RESPONDENTS.**

DECISION

GONZAGA-REYES, J.:

On 17 October 1994, private respondent was hired by petitioners to work as a radio officer on board its vessel, the M/V T.A. VOYAGER. Sometime in June, 1995, while the vessel was docked at the port of New Zealand, private respondent was taken ill. His worsening health condition was brought by his crewmates to the attention of the master of the vessel. However, instead of disembarking private respondent so that he may receive immediate medical attention at a hospital in New Zealand, the master of the vessel proceeded to Manila, a voyage of ten days, during which time the health of private respondent rapidly deteriorated. Upon arrival in Manila, private respondent was not immediately disembarked but was made to wait for several hours until a vacant slot in the Manila pier was available for the vessel to dock. Private respondent was confined in the Manila Doctors Hospital, wherein he was treated by a team of medical specialists from 24 June 1995 to 26 July 1995.

After private respondent was discharged from the hospital, he demanded from petitioners the payment of his disability benefits and the unpaid balance of his sickness wages, pursuant to the Standard Employment Contract of the parties. Having been assured by petitioners that all his benefits would be paid in time, private respondent waited for almost a year, to no avail. Eventually, petitioners told private respondent that, aside from the sickness wages that he had already received, no other compensation or benefit was forthcoming.^[1] Private respondent filed a complaint with the National Labor Relations Commission (NLRC) for payment of disability benefits and the balance of his sickness wages. On 31 July 1997, the labor arbiter rendered a decision,^[2] the pertinent parts of which are quoted hereunder -

In the case at bar, there is no issue on the propriety or illegality of complainant's discharge or release from employment as Radio Operator. What complainant is pursuing is limited to compensation benefits due a seaman pursuant to POEA Standard Employment Contract, Part II, Section C, paragraph 4(c) and paragraph 5, which reads:

"SECTION C. COMPENSATION BENEFIT

x x x

"4. The liabilities of the employer when the seaman

suffers injury or illness during the term of his contract are as follows:

x x x

- c. The employer shall pay the seaman his basic wages from the time he leaves the vessel for medical treatment. After discharge from the vessel, the seaman is entitled to one hundred percent (100%) of his basic wages until he is declared fit to work or the degree of permanent disability has been assessed by the company-designated physician, but is [sic] no case shall this period exceed one hundred twenty (120) days. For this purpose, the seaman shall submit himself to a post-employment medical examination by the company-designated physician within three working days upon his return, except when he is physically incapacitated to do so, in which case the written notice to the agency within the same period is deemed as compliance x x x.

- "5. In case of permanent total or partial disability of the seamen [sic] [during] the term of employment caused by either injury or illness, the seamen [sic] shall be compensated in accordance with the schedule of benefits enumerated in Appendix 1 of this Contract. Computation of his benefits arising from an illness or disease shall be governed by the rates and the rules of compensation applicable at the time of [sic] the illness or disease was contracted."

The aforecited provisions of the POEA Standards [sic] Employment Contract is clear and unmistakable that its literal meaning should be preserved.

Thus, the only question at which the liability of respondents is anchored is whether complainant was really fit to work in his position as radio operator. If this is so, it could mean that he is not entitled to disability compensation which respondents vigorously disputed, citing in support the certification made by Dra. Victoria Forendo [sic] Cayabyab, allegedly "the officially accredited and designated physician of respondents, which is likewise, accredited with the Philippine Overseas Employment Administration" where it is stated that "Nothing [sic] his job description as a radio operator, Mr. de Lara may be allowed to go back to work." (Annex D & E). Complainant on the other hand disputes respondent's above posture contending that the more persuasive and authentic evidence for purposes of deciding his fitness or lack of fitness to work is the certificate issued by Ms. Naneth [sic] Domingo-Reyes, MD, FPMA where it appears that after submitting himself to another medical examination by his attending physicians at the Manila Doctors Hospital on December 4, 1996, to verify possible mistake in his post treatment examination on March 25, 1996, firmly "was classified under partial

permanent disability and is not fit to go back to his previous work due to mental state." (Annex "C", complainant's reply to respondent's position paper).

We have gone into a judicious study and analysis of the arguments and exhibits particularly the ones relied upon by the parties and find that of the complainant worthy of consideration. Looking closely at Annexes "D" and "E" of respondents' position paper, there is hardly any clear affirmation that complainant was fully fit to resume his work as radio operator. Although the document alluded to, declares that complainant may be allowed to go back to work, the tenor of the same seems uncertain that complainant is fit to resume his work, and that assuming that such was the message, the words "may be" can not be taken as overriding that coming from the Manila Doctor Hospital which in the beginning handled the medical case of complainant and to which respondents unconditionally referred him and by reason of which six or seven medical specialists [sic] of the hospital took turn[s] studying and reviewing his uncertain ailment after release by respondents. Otherwise stated, unlike the message of annexes D to E of respondents, annex "C" of complainant is clear and unmistakable and confirm complainant's partial permanent disability and his definite unfitness to go back to his previous work due to his mental health. Some pronouncements in this exhibit mentions also that when complainant was admitted an emerging basis for drowsiness, behavioral change and off and on fever" and different procedures were resorted along his case, like emergency CT scan on the brain and his admission in June 24, 1995 was catastrophic, whereas, more could be said in three document[s] issued by Dra. Victoria Florendo Cayabyab.

Finally, respondents contend that the annexes issued by Dr. Domingo-Reyes of the Manila Doctors Hospital should not be given weight because it is not issued by the hospital or doctor duly accredited by the POEA. Neither would a close look on the applicable provision for seamen show - that a duly accredited hospital or doctor is needed for purposes of the grant of compensation benefits to a such [sic] or ailing seamen. We are more persuaded based on the arguments of the complainant among others, that it is absurd to require an ailing seaman in high seas or in a foreign land to still wait until the ship where he is working land in the country to secure treatment in a duly accredited hospital or doctor.

On the basis of the above therefore, and convinced that complainant's "partial permanent disability" which was contracted in the course or on account of his employment as radio operator in foreign principal's vessel, he is entitled to disability benefit in accordance with the schedule of benefits enumerated in Appendix 1 of the Contract, the maximum of which is US \$50,000. But since the amount prayed for is US\$25,000.00 which we presume has a more realistic basis, the same is hereby granted.

Concerning the sickness wage, respondents averred that the same had already been paid. However, there is no evidence that the same has been paid except the payment to the complainant of P49,546.00. Since

complainant's salary as US\$870 and a seaman's sick wage entitlement is fixed to a maximum of 120 days, his "sickness wages would rest to a total sum of US\$3,480 or its peso equivalent. On this, complainant has been paid only [P]49,546.00 (US\$1,943), thereby leaving for complainant a balance of US\$1,537. Finally, it is also argued that as regards the balance, the same has been paid citing as proof the Sickness Release and Quitclaim signed by complainant (Annexes "C" & "C-1"). Complainant, on the other hand denied this, and contended that the quitclaim and release is invalid. Considering that there is no proof on record that this balance of US\$1,537 was paid, unlike the P49,546.00, the same is granted.

WHEREFORE, premises above-considered, a decision is hereby issued ordering respondent German Marine Agencies Inc. to pay complainant the following sums:

(a) Disability benefit - - - - - US\$25,000.00

(b) Sickness wage balance - - - - - US\$1,137.00

all in the aggregate of Twenty Six Thousand One Hundred Thirty Seven Dollars (US\$26,137.00) or its peso equivalent, the claim for damages being hereby dismissed for lack of merit, plus ten (10%) percent attorney's fees.

SO ORDERED.

On 29 July 1998, the NLRC^[3] affirmed the labor arbiter's decision *in toto* and declared that the latter's findings and conclusions were supported by substantial evidence.^[4] After its motion for reconsideration was denied by the NLRC on 20 May 1999, petitioners repaired to the Court of Appeals.^[5] The appellate court's assailed decision was promulgated on 1 December 1999, upholding the decision of the NLRC, with the modification that petitioners were ordered to pay private respondent exemplary damages in the amount of P50,000.00. The appellate court reasoned out its decision,^[6] thus -

The basic issue here is: Whether or not petitioner is liable to pay private respondent's claim as awarded by the NLRC, and whether or not there was abuse of discretion on the part of the NLRC in affirming such decision on appeal? To resolve this issue, this Court took time in looking closely at the pertinent provision of the Standard Employment Contract Governing the Employment of Filipino Seafarers on Board Ocean-Going Vessels, particularly PART II, SECTION C, par. no. 4 (c), and par. no. 5, which states as follows:

"SECTION C. COMPENSATION AND BENEFITS

"4. The liabilities of the employer when the seaman suffers injury or illness during the term of his contract are as follows:

"x x x x

- c. The employer shall pay the seaman his basic wages from the time he leaves the vessel for medical treatment. After discharge from the vessel the seaman is entitled to hundred percent (100%) of his basic wages until he is declared fit to work or his degree of permanent disability has been assessed by the company-designated physician, but in no case shall this period exceed one hundred twenty (120) days. x x x x

- "5. In case of permanent total or partial disability of the seaman during the term of his employment caused by either injury or illness the seaman shall be compensated in accordance with the schedule of benefits enumerated in Appendix 1 of his Contract. Computation of his benefits arising from an illness or disease shall be governed by the rates and the rules of compensation applicable at the time the illness or disease was contracted.

x x x . . ."

A cursory reading of these applicable contractual provisions and a thorough evaluation of the supporting evidence presented by both parties, lends strong credence to the contentions and arguments presented by private respondent.

The award of disability compensation has a clear and valid basis in the Standard Employment Contract and the facts as supported by the medical certificate issued by Dr. Nannette Domingo-Reyes of the Manila Doctors Hospital. Petitioners' contention, that Dr. Domingo-Reyes is not company designated is far from the truth. The designation of the Manila Doctors Hospital by petitioners as the company doctor for private respondent cannot be denied. Their very act of committing private respondent for treatment at the Manila Doctors Hospital under the care of its physician is tantamount to company designation. The very act of paying the hospital bills by the petitioners constitutes their confirmation of such designation. Hence, petitioners cannot resort to the convenience of denying this fact just to evade their obligation to pay private respondent of his claims for disability benefit.

This Court also finds no basis on (sic) the petitioners' contention that the company-designated [physician] must also be accredited with the POEA before he can engage in the medical treatment of a sick seaman. There is nothing in the Standard Employment Contract that provides this accreditation requirement, and even if there is, this would be absurd and contrary to public policy as its effect will deny and deprive the ailing seaman of his basic right to seek immediate medical attention from any competent physician. The lack of POEA accreditation of a physician who actually treated the ailing seaman does not render the findings of such physician (declaring the seaman permanently disabled) less authoritative or credible. To our mind, it is the competence of the attending physician,