

SIXTH DIVISION

[CA-G.R. SP NO. 124791, June 27, 2014]

**CTI GROUP PHILIPPINES, INC., MARIA FE YUDE AND/OR
CARNIVAL CRUISE LINE, PETITIONERS, VS. NATIONAL LABOR
RELATIONS COMMISSION AND RHODERICK U. INIBA, JR.,
RESPONDENTS.**

D E C I S I O N

CRUZ, R.A., J.:

THE CASE

This is a Petition for Certiorari under Rule 65 of the Rules of Court seeking to annul and set aside the Resolution^[1] dated February 3, 2012 and the Resolution^[2] dated March 19, 2012, both issued by the National Labor Relations Commission (NLRC) in NLRC LAC NO. 10-000904-11, NLRC OFW CASE NO. (M) 03-04242-11 entitled "Rhoderick U. Iniba Jr. v. CTI Group Philippines, Inc. and/or Carnival Cruise line and/or Maria Fe Yude". The dispositive portion of the Resolution dated February 3, 2012 reads, as follows:

X X X

"WHEREFORE, all of the foregoing premises considered, judgment is hereby rendered declaring the appeal without merit and the appealed decision AFFIRMED. "SO ORDERED."

X X X X

On the other hand, the dispositive portion of the Resolution dated March 19, 2012 reads, as follows:

X X X

"WHEREFORE, the motion for reconsideration is denied for lack of merit.
"NO FURTHER MOTION OF SIMILAR NATURE SHALL BE ENTERTAINED.

"SO ORDERED."

X X X

THE ANTECEDENTS

This case stemmed from the Complaint filed by Rhoderick U. Iniba before the Labor Arbiter against CTI Group Philippines, Inc. and/or Carnival Cruise Line and/or Maria Fe Yude, petitioners herein, for recovery of permanent disability compensation under POEA Standard Employment Contract with claim for moral and exemplary damages and attorney's fees.

In his position paper,^[3] Rhoderick U. Iniba, as complainant, alleged that he had been employed by CTI Group, on behalf of its principal Carnival Cruise Line, Miami Florida, U.S.A., as Assistant Waiter with a basic salary of US\$1,200.00 a month exclusive of overtime and other benefits. His employment contract has commenced on July 24, 2010. On the last week of July of the same year, complainant complained of on and off right knee pain on the left. He reported his physical and medical condition to his Supervisor who advised him to go to the Infirmary for medical check-up and treatment. He was given medications which afforded temporary relief. Despite medications, complainant's condition worsened so he was referred to the ship's doctor who advised him to consult a doctor at the Port of Jamaica for further examination and treatment.

On November 3, 2010, complainant underwent MRI for further evaluation due to persistence of symptoms with the following results: "Anterior cruciate ligament repair appear intact. Degenerative signal intensity in the posterior horn of the medical meniscus."

Complainant was medically repatriated on November 14, 2010 and arrived in Manila on November 16, 2010. Upon arrival in Manila, he immediately reported to CTI Group for his post employment medical examination. The latter referred complainant to the company-accredited physician at the Metropolitan Medical Center.

On November 18, 2010, complainant was seen and examined by Dr. Mylene Cruz-Balbon, company-designated physician, who diagnosed complainant with "degenerative changes, posterior horn, medial meniscus, right knee." Dr. Cruz-Balbon recommended complainant to undergo Diagnostic Arthroscopy Notch Plasty & Debridement, Right Knee. Thereafter, he was treated as an out-patient.

On January 4, 2011, the complainant was admitted due to T/C Meniscal Tear-S/P ACL Repair Right Knee and he underwent Diagnostic Athroscopy, Notch Plasty & Debridement the following day under the supervision of Dr. D. Wee. He was discharged from the hospital on January 7, 2011.

On February 9, 2011, complainant again consulted Dr. Mylene Cruz-Balbon and was diagnosed with "degenerative changes, posterior horn, medial meniscus, right knee; s/p diagnostic athroscopy, nothplasty and debridement, right knee."

On June 1, 2011, complainant consulted Dr. Manuel C. Jacinto, Jr. of Sta. Teresita General Hospital, an independent practitioner, to seek a second opinion. After examination, he was found to be suffering from "degenerative changes, posterior horn, medial meniscus right knee".^[4] Dr. Jacinto, Jr. issued the following remarks:

x x x

"Patient's condition on discharge: no improvement was noted on the patient.

Remarks: Patient's condition started at work and symptoms of pain right knee and limitation of motion and swelling persisted despite management and medications, thus, he was assessed to be physically unfit to go back to work. [/] Total Permanent"

x x x

Because of this injury sustained by complainant which was deteriorating, he claims that he is no longer fit to resume his work as seafarer as an aftermath of his clavicle injury.

For their part, petitioners alleged in their Position Paper^[5] that in November 2010, complainant complained of a pain radiating from his right knee to his foot. He underwent MRI and was diagnosed as having degenerative signal intensity in the posterior horn of the medial meniscus. He was medically repatriated on November 14, 2010 and referred to the Metropolitan Medical Center for his medical treatment and evaluation.

On April 27, 2011, after several months of treatment, the orthopedic surgeon who attended to complainant's medical treatment finally declared complainant as stable with the corresponding Grade 10 disability.^[6]

For several months, complainant was under the care of the company-designated physician. During the entire period, complainant underwent extensive medications and treatment. The company-designated physician made a regular report of the progress of complainant's recovery from November 18, 2010 to April 27, 2011. Despite ongoing medical treatment, complainant instituted a complaint on March 14, 2011 asking for disability benefits, moral and exemplary damages and attorney's fees and other benefits provided by law.^[7]

The issues put to fore are the following: (1) whether or not complainant is entitled to permanent total disability compensation of USD60,000.00; and (2) whether or not complainant is entitled to his other monetary claims.

On July 25, 2011, the labor arbiter rendered a Decision, the dispositive portion of which reads, as follows:

x x x

"WHEREFORE, premises considered, judgment is hereby rendered ordering respondents to pay jointly and severally complainant the sum of USD60,000.00, or its peso equivalent at the time of payment, representing his permanent total disability compensation; and attorney's fees equivalent to 10% of the monetary award.

"All other claims are dismissed for lack of merit.

"SO ORDERED."

x x x

The labor arbiter held that the Medical Certificate issued by the company-designated doctors on April 27, 2011, which reads:

x x x

"This is a follow-up report on Asst. Team waiter Rhoderick U. Iniba who was initially seen here at Metropolitan Medical Center on November 18, 2010 and was diagnosed to have Degenerative Changes, Posterior Horn, Medial Meniscus, Right Knee; S/P Anterior Cruciate Ligament Repair, Right Knee; S/P Diagnostic Arthroscopy, Notchplasty and Debridement, Right Knee on January 5, 2011.

"He is under the care of an Orthopedic Surgeon and Physiatrist.

"Patient still complains of right knee pain.

"Functional assessment done showed weakness of the right knee extensors. There is note of crepitations on the knee towards flexion and extension. He has minimal difficulty doing ascending and descending stairs, prolonged standing and walking > 20 minutes and jumping.

"The specialist opines that patient has already reached maximum medical improvement."

x x x

was issued after the lapse of more than five (5) months reckoned from complainants' repatriation on November 14, 2010. While complainant still complained of a right knee pain, the company-designated specialist opined that complainant has already reached maximum medical improvement, making it clear that the latter was not yet cured despite the lapse of more than 120 days under the care and treatment of the company-designated physicians. He is therefore unfit to go back to work as Assistant Team Waiter. The labor arbiter found the medical assessment of complainant's private doctor, Dr. Manuel C. Jacinto, Jr. to be more credible as it is reflective of the actual physical and medical condition of the complainant, since no improvement in his medical condition was noted as of June 1, 2011. The labor arbiter concluded that, since the injury of complainant is such that he cannot pursue his usual work and earn therefrom, his disability is total, and since it lasts continuously for more than 120 days, the total disability is permanent. Complainant is therefore entitled to a disability compensation of USD60,000.00. As to the issue of damages, the labor arbiter found no justification to award moral and exemplary damages in favor of complainant for want of evidence of bad faith on the part of the employer. He was however granted attorney's fees equivalent to 10% of the monetary award.

CTI Group Philippines, Inc., Maria Fe Yude and/or Carnival Cruise Line filed their Memorandum of Appeal with the NLRC, alleging the following arguments:

1. The Labor Arbiter gravely erred in dispensing with the schedule of disabilities and impediments for injuries suffered as well as its corresponding grades.
2. The Labor Arbiter gravely erred when it declared complainant-appellee as permanently disabled based solely on the medical certificate issued by Dr. Manuel Jacinto, Jr., the latter's own physician.
3. The Labor Arbiter gravely erred when it granted 10% attorney's fees despite his own findings of facts that respondents-appellants were not guilty of bad faith.

The NLRC ruled that complainant, having been disabled to work and treated for more than four (4) months or 120 days without any valid exceptional reason for its extension, the disability is total and permanent, entitling him to Grade 1 disability benefits. The NLRC also upheld the award of attorney's fees in favor of complainant.

CTI Group Philippines, Inc. and/or Carnival Cruise Line and/or Maria Fe Yude filed a Motion for Reconsideration but the same was denied by the NLRC through the

Resolution dated March 19, 2012. Hence, this petition.

THE ISSUES BEFORE US

Petitioners come to Us praying for the reversal of the assailed Resolutions and for the dismissal of the Complaint, raising the following posers, to wit:

I

WHETHER OR NOT THE HONORABLE COMMISSION COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF OR IN EXCESS OF JURISDICTION WHEN IT DECLARED THAT PRIVATE RESPONDENT IS ENTITLED TO FULL DISABILITY BENEFITS BECAUSE HE WAS UNABLE TO RETURN TO WORK FOR MORE THAN 120 DAYS.

II

WHETHER OR NOT THE HONORABLE COMMISSION COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF OR IN EXCESS OF JURISDICTION WHEN IT AUTOMATICALLY GRANTED FULL DISABILITY BENEFITS WITHOUT APPLYING THE LATEST JURISPRUDENCE ON DISABILITY.

III

WHETHER OR NOT THE HONORABLE COMMISSION COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF OR IN EXCESS OF JURISDICTION WHEN IT GRANTED ATTORNEY'S FEES DESPITE THE ABSENCE OF BAD FAITH OR MALICE ON THE PART OF PETITIONERS. THE REFUSAL OF PETITIONERS TO PAY PRIVATE RESPONDENT HIS DEMAND FOR FULL DISABILITY BENEFITS IS IN ACCORDANCE WITH THE LAW, CONTRACT AND JURISPRUDENCE.

Petitioners contend that the mere lapse of 120 days is not controlling in determining disability benefits because the implementing rules and regulations of the Labor Code envisioned an extension of up to 240 days within which disability is to be determined.

OUR RULING

The petition is meritorious.

As a general rule, in certiorari proceedings under Rule 65 of the Rules of Court, We do not assess and weigh the sufficiency of evidence upon which the Labor Arbiter and the NLRC based their conclusion. The query in this proceeding is limited to the determination of whether or not the NLRC acted without or in excess of its jurisdiction or with grave abuse of discretion in rendering its decision. However, as an exception, We may examine and measure the factual findings of the NLRC if the same are not supported by substantial evidence.^[8]

A seafarer's right to disability benefits is a matter governed by law, contract and medical findings. The relevant legal provisions are Articles 191 to 193 of the Labor Code and Section 2, Rule X of the Amended Rules on Employee Compensation (AREC). The relevant contracts are the POEA Standard Employment Contract (SEC),