

## SPECIAL SECOND DIVISION

[ CA-G.R. SP No. 130041, June 25, 2014 ]

**REYNALDO S. MATUGAS, PETITIONER, VS. THE NATIONAL  
LABOR RELATIONS COMMISSION (SIXTH DIVISION)<sup>[\*]</sup>, C. F.  
SHARP CREW MANAGEMENT, INC., CLAUS-PETER OFFEN  
TANKSCHIFTEEDEREI AND/OR WILLIAM S. MALALUAN,  
RESPONDENTS.**

### DECISION

**SALAZAR-FERNANDO, J.:**

Before this Court is a Petition for *Certiorari* under Rule 65 of the 1997 Revised Rules of Civil Procedure assailing the Decision<sup>[1]</sup> dated December 28, 2012 and the Resolution<sup>[2]</sup> dated March 14, 2013 of the National Labor Relations Commission (NLRC), Sixth Division in NLRC LAC No. 10-000873-12, NLRC NCR Case No. 02-03493-12 entitled "REYNALDO S. MATUGAS, *Complainant-Appellant*, versus C.F. SHARP CREW MANAGEMENT INC., and CPO TANKER, *Respondents-Appellees*.", the dispositive portions of which read:

***Decision dated December 28, 2012***

"WHEREFORE, this appeal is denied for utter lack of merit.

SO ORDERED."<sup>[3]</sup>

***Resolution dated March 14, 2013***

"WHEREFORE, the instant Motion for Reconsideration is hereby DENIED for lack of merit. No further motions of the same tenor shall be entertained.

SO ORDERED."<sup>[4]</sup>

The facts are:

On May 15, 2012, petitioner Reynaldo S. Matugas (Matugas for brevity) filed a Complaint<sup>[5]</sup> for payment of total and permanent disability benefits, moral damages, exemplary damages, and attorney's fees against private respondents C.F. Sharp Crew Management Inc., Claus-Peter Offen Tankschifteederei and/or William S. Malaluan.

In his Position Paper<sup>[6]</sup>, petitioner Matugas averred that: he was hired by the private respondents as 3rd Engineer on board the vessel "CPO Korea" under a POEA-approved Contract of Employment dated May 29, 2009; his contract was also covered by the current ITF Collective Agreement; when he underwent Pre-Employment Medical Examination (PEME) on May 28, 2009<sup>[7]</sup>, he was declared fit

for sea duty without restriction; he boarded "CPO Korea" and proceeded to perform his duties and responsibilities as Third Engineer efficiently and with dedication; he worked from eight (8) to sixteen (16) hours daily; his duties entailed a lot of standing and walking to check the vessel's engine and machines, in order to ensure its seaworthiness; he was exposed to various environmental risks, like toxic and chemical residue which came out from equipment and machineries; he was likewise exposed to stress and continuous fatigue; not long, he felt sudden tiredness, difficulty in breathing, and bodily weakness; thus, he reported his condition to his supervisor, and on September 6, 2009, he was referred to the Lagoon Hospital in Nigeria; there, he underwent chest X-ray and was diagnosed of "Active Tuberculosis"; as a result, he was repatriated and placed under the care of the company-designated physician; at that time, he completed eighteen (18) contracts with the private respondents, starting from February 14, 1994 to September 2009, or approximately seventeen (17) continuous years without adverse findings on his health; subsequently, on March 17, 2010, the company-designated physician issued a Final Medical Report<sup>[8]</sup> and declared him fit to work; however, despite the said Fit to Work Order, he still experienced regular tiredness, difficulty in breathing, bodily weakness, loss of appetite, and daily afternoon fever; on May 12, 2011, he underwent a CT Scan<sup>[9]</sup> which yielded the following result: "RIGHT UPPER LOBE SOLITARY MASS. PRIMARY CONSIDERATION IS BRONCHOGENIC CA. SUGGEST BIOPSY FOR A DEFINITIVE DIAGNOSIS"; on February 3, 2012, he again underwent a chest X-ray<sup>[10]</sup>, and the finding was: "T/C PULMONARY MASS, RIGHT UPPER LUNG. SUGGEST CT SCAN"; thereafter, on May 18, 2012, he sought the expertise of his physician, Dr. May S. Donato-Tan, a cardiologist at the Philippine Heart Center, who diagnosed that he is suffering from T/C Bronchogenic Carcinoma vs Koch's Infection, and consequently declared him unfit for duty in whatever capacity as seaman<sup>[11]</sup>; despite the said disability certification issued by Dr. May Donato-Tan, private respondents refused to provide the benefits accruing to him under the law; due to the risks and hazards in his work environment, his immunity from diseases lowered, specifically affecting his lungs; by reason of this work-injury, he is entitled to permanent total disability and sick wages benefit under the POEA Standard Terms and Conditions Governing the Employment of Filipino Seafarers On-Board Ocean-Going Vessels; he is entitled to moral damages in view of private respondents' unconscionable conduct of denying him these benefits, despite his loyalty to them for seventeen (17) years; and, attorney's fees should also be awarded as he was constrained to engage the services of counsel to protect his interest.

For their part, private respondents filed a Position Paper<sup>[12]</sup> asserting that: they employed petitioner Matugas as 3<sup>rd</sup> Engineer on board the vessel "CPO Italy" under an eight-month employment contract approved by the POEA on April 13, 2010; petitioner Matugas boarded the vessel shortly thereafter and commenced to perform his duties; he disembarked on December 25, 2010 due to "finished contract"; private respondents have not heard anything from petitioner Matugas after he disembarked from his last vessel of assignment; petitioner Matugas did not report to the company-designated physician within three (3) days from his arrival for the mandatory post-employment medical examination; as such, private respondents were surprised when petitioner Matugas instituted the instant case fourteen (14) months, or more than a year after disembarking from his last vessel of assignment; petitioner Matugas' alleged illness is not work-related and did not occur during the term of his last employment contract; as a contractual employee, any claim he may have under such contract was terminated upon its expiration; and, there is no basis

for petitioner Matugas' prayer for damages and attorney's fees as the denial of the claim was premised on valid and legal grounds.

Thereafter, both parties filed their respective Replies.<sup>[13]</sup>

On August 31, 2012, Labor Arbiter Antonio R. Macam rendered a Decision<sup>[14]</sup> dismissing petitioner Matugas' complaint for lack of merit. According to the Labor Arbiter, there was no existing contract to which the disability claim can be attributed, considering that the alleged condition of petitioner Matugas transpired fourteen (14) months after the termination of his contract. Thus, when petitioner Matugas was diagnosed of Bronchogenic Carcinoma, there was no longer a contract to speak of. The fact that petitioner Matugas' claim was filed fourteen (14) months after the termination of the contract is an indication that the illness only manifested after his employment with the private respondents. Petitioner Matugas' failure to question the company doctor's "fit to work" declaration, despite alleged persistence of symptoms, precludes him from claiming otherwise. Ultimately, the Labor Arbiter ruled that the illness was not acquired during the term of the employment contract. Petitioner Matugas' claim for damages and attorney's fees were likewise denied as private respondents' actuations were not shown to be tainted with bad faith.

Aggrieved, petitioner Matugas filed a Notice of Appeal with Memorandum on Appeal<sup>[15]</sup>, to which private respondents countered with their Comment/Opposition.<sup>[16]</sup>

On December 28, 2012, public respondent NLRC rendered the assailed Decision<sup>[17]</sup> denying petitioner Matugas' appeal for utter lack of merit. Public respondent NLRC noted that petitioner Matugas was declared unfit for seaman's duty on May 18, 2012, when he was no longer under contract as a seaman, his last contract having expired on December 25, 2010. Further, public respondent NLRC held that petitioner Matugas failed to submit sufficient evidence to disprove the Labor Arbiter's findings.

Undaunted, petitioner Matugas filed a Motion for Reconsideration<sup>[18]</sup> which was denied by public respondent NLRC in the assailed Resolution<sup>[19]</sup> dated March 14, 2013.

Hence, this petition for *certiorari* based on the following grounds<sup>[20]</sup>:

I.

THE PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN DENYING THE (sic) DISABILITY COMPENSATION TO PETITIONER;

II.

THE PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN FAILING TO AWARD THE (sic) ATTORNEY'S FEES TO THE PETITIONER.

The petition lacks merit.

In challenging the aforesaid findings of public respondent NLRC, petitioner Matugas essentially contends in the instant petition for *certiorari* that: he worked for private respondents for seventeen (17) years and performed physically laborious and

strenuous duties; he was initially diagnosed of "Active Tuberculosis" while he was still onboard the vessel as 3<sup>rd</sup> Engineer; his illness aggravated into Bronchogenic Carcinoma vs Koch's Infection; despite the disability certification issued by Dr. Donato-Tan, private respondents refused to provide his disability benefits; Bronchogenic Carcinoma with pleural effusion was declared to be compensable by the Supreme Court; and, he is entitled to attorney's fees as he was forced to litigate and engage the services of counsel to protect his interest.

At the outset, it should be stressed that *certiorari* is a remedy narrow in its scope and inflexible in character. It is not a general utility tool in the legal workshop. *Certiorari* will issue only to correct errors of jurisdiction and not to correct errors of judgment.<sup>[21]</sup> Indeed, for a petition for *certiorari* to prosper, mere abuse of discretion on the part of the public respondent is not enough. It must be grave abuse of discretion as when the power is exercised in an arbitrary or despotic manner by reason of passion or personal hostility, and must be so patent and so gross as to amount to an evasion of a positive duty or to a virtual refusal to perform the duty enjoined or to act at all in contemplation of law.<sup>[22]</sup>

Under these parameters, and after a judicious review of the records of the case, this Court finds that public respondent NLRC did not commit grave abuse of discretion in affirming the decision of the Labor Arbiter which dismissed petitioner Matugas' complaint for payment of permanent total disability benefits. A seafarer, to be entitled to disability benefits, must prove that the injury was suffered *during the term* of the employment, and must submit himself to the company-designated physician for evaluation *within three (3) days* from his repatriation.<sup>[23]</sup> In this case, the undisputed fact remains that after his 2009 stint in "CPO Korea", petitioner Matugas once again worked as a seaman and boarded "CPO Italy" in 2010, *where he completed his new contract with no medical issues being reported*. Moreover, petitioner Matugas failed to submit himself for medical examination within three (3) days after he disembarked from the said vessel, in clear violation of the POEA Standard Employment Contract (SEC). In view thereof, no grave abuse of discretion could be attributed to public respondent NLRC considering that the Supreme Court itself, in a catena of cases, has repeatedly denied the payment of disability benefits to seafarers who failed to comply with the mandatory reporting and examination requirements.<sup>[24]</sup>

The 2010 Amendments to the POEA-SEC cover employment contracts that are processed starting November 12, 2010. Thus, as the subject contract was approved on April 13, 2010<sup>[25]</sup>, the applicable form is the 2000 amendments.

It has been held that the POEA-SEC, as provided under Department Order No. 4, series of 2000 of the Department of Labor and Employment binds the seaman and his employer to each other.<sup>[26]</sup> Pursuant to the 2000 POEA Amended Standard Terms and Conditions Governing the Employment of Filipino Seafarers on Board Ocean-Going Vessels, two elements must concur for an injury or illness to be compensable. First, the injury or illness must be work-related; and second, the work-related injury or illness must have existed during the term of the seafarer's employment contract.<sup>[27]</sup> Anent the first element, worth mentioning is that Bronchogenic Carcinoma is not listed as an occupational disease under Section 32-A of the 2000 POEA-SEC.