



**Republic of the Philippines
Supreme Court
Manila**

FIRST DIVISION

**C.F. SHARP CREW
MANAGEMENT, INC., RONALD
AUSTRIA, and ABU DHABI
NATIONAL TANKER CO.,**
Petitioners,

G.R. No. 190534

Present:

SERENO, *CJ.*,
Chairperson,
LEONARDO-DE CASTRO,
BERSAMIN,
PERLAS-BERNABE, and
JARDELEZA, *JJ.*

- versus -

**LEGAL HEIRS OF THE LATE
GODOFREDO REPISO,**
represented by his wife
LUZVIMINDA REPISO,
Respondents.

Promulgated:

FEB 10 2016

X-----X

D E C I S I O N

LEONARDO-DE CASTRO, J.:

Assailed in this Petition for Review on *Certiorari* filed by petitioners C.F. Sharp Crew Management, Inc. (C.F. Sharp), Ronald Austria (Austria), and Abu Dhabi National Tanker Company (ADNATCO) are: (1) the Decision¹ dated September 9, 2009 of the Court of Appeals in CA-G.R. SP No. 98857, which reversed and set aside the Decision² dated August 24, 2006 and Resolution³ dated February 27, 2007 of the National Labor Relations Commission (NLRC) in NLRC OFW CN 04-04-00916-00 and reinstated the Decision⁴ dated September 23, 2005 of the Labor Arbiter in NLRC-NCR Case No. (M)04-04-00916-00; and (2) the Resolution⁵ dated December 9, 2009 of the appellate court in the same case which denied the Motion for Reconsideration of petitioners.

¹ *Rollo*, pp. 50-60; penned by Associate Justice Jane Aurora C. Lantion with Associate Justices Mario L. Guariña III and Mariflor Punzalan-Castillo concurring.

² *CA rollo*, pp. 27-37; penned by Commissioner Gregorio O. Bilog III with Presiding Commissioner Lourdes C. Javier concurring and Tito F. Genilo (on leave).

³ *Id.* at 38-40.

⁴ *Id.* at 181-194.

⁵ *Rollo*, p. 79.

AMW

On April 24, 2002, Godofredo Repiso (Godofredo) was hired as a Messman on board M/T *Umm Al Lulu* by petitioner C.F. Sharp, a local manning agency, on behalf of its principal, petitioner ADNATCO, a marine transportation company based in the United Arab Emirates. Godofredo and petitioner Austria, as representative of petitioners C.F. Sharp and ADNATCO, signed a Contract of Employment,⁶ which was approved by the Philippine Overseas Employment Administration (POEA) on May 9, 2002.

Prior to embarkation, Godofredo underwent a pre-employment medical examination (PEME) and was declared physically fit to work. Godofredo boarded M/T *Umm Al Lulu* on May 20, 2002. Godofredo was repatriated in Manila on March 16, 2003. The next day, March 17, 2003, Godofredo went to a medical clinic in Kawit, Cavite where he was examined by Doctor Cayetano G. Reyes, Jr. (Dr. Reyes). Dr. Reyes diagnosed Godofredo with “Essential Hypertension” and advised Godofredo to take the prescribed medication and rest for a week.⁷

At about 10:00 in the morning on March 19, 2003, Godofredo was waiting for a ride when he suddenly lost consciousness and fell to the ground. Good samaritans brought Godofredo to Del Pilar Hospital where he was pronounced dead on arrival.⁸ Based on Godofredo’s Certificate of Death,⁹ the causes for his death were as follows:

Immediate cause	:	Irreversible Shock
Antecedent cause	:	Acute Myocardial Infarction
Underlying cause	:	Hypertensive Heart Disease

Godofredo died leaving behind respondents as his legal heirs, namely, his wife, Luzviminda,¹⁰ and three children, Marie Grace (20 years old), Gerald (17 years old), and Gretchen (13 years old).¹¹

On September 17, 2003, respondent Luzviminda, through her lawyer, sent a letter¹² notifying petitioner C.F. Sharp of Godofredo’s death and demanding the payment of the following amounts:

Death compensation	---	US\$ 60,000.00
Children Allowance (3 minors x \$15,000.00)	---	US\$ 45,000.00
Burial Allowance	---	<u>US\$ 1,000.00</u>
TOTAL	---	US\$ 106,000.00

⁶ CA *rollo* p. 45.

⁷ Id. at 46.

⁸ Id. at 56.

⁹ Id. at 47.

¹⁰ Marriage Contract, CA *rollo*, p. 41.

¹¹ Certificates of Live Birth, CA *rollo*, pp. 42-44.

¹² CA *rollo*, pp. 48-49.

Respondent Luzviminda sent another letter¹³ dated February 3, 2004 to petitioner C.F. Sharp conveying her willingness to accept the amount of US\$65,000.00 as compromise settlement. However, respondent Luzviminda's demand remained unheeded.

Thus, respondents filed with the NLRC a Complaint against petitioners for recovery of death compensation benefits, burial and children's allowances, moral and exemplary damages, and attorney's fees. The Complaint was docketed as NLRC-NCR Case No. (M)04-04-00916-00.

The parties exchanged Position Papers and other pleadings.

Respondents' Arguments

Respondents alleged that during the last weeks of Godofredo's 10-month contract as Messman on board M/T *Umm Al Lulu*, he was already experiencing continuous headaches and body pains, more pronounced in the nape area. From that moment, Godofredo became entitled to disability benefits from petitioners. Godofredo was repatriated in Manila on March 16, 2003 for medical reasons. When Godofredo died on March 19, 2003 due to his illness, his right to disability benefits was converted to the right to death benefits.

Respondents also posited that although Godofredo's Contract of Employment was executed on April 24, 2002, it was governed by the 1996 POEA-Standard Employment Contract (SEC)¹⁴ rather than the 2000 POEA-SEC¹⁵ because the implementation of the latter was enjoined by a temporary restraining order (TRO) issued by the Court.¹⁶ To be compensable under the 1996 POEA-SEC, it was not necessary to prove that the illness or death was work-related, it being sufficient that the same occurred during the term of the seafarer's employment. According to respondents, the following facts established that Godofredo died of an illness which he acquired on board M/T *Umm Al Lulu* and, thus, entitled respondents to recover death benefits: (1) Godofredo was declared fit to work by petitioners' designated physician prior to embarkation; (2) Godofredo served on board M/T *Umm Al Lulu* until his repatriation; and (3) Godofredo died within 72 hours upon arrival in the Philippines.

¹³ Id. at 51.

¹⁴ Department of Labor and Employment (DOLE) Department Order No. 33 and Philippine Overseas Employment Administration (POEA) Memorandum Circular No. 55, both series of 1996.

¹⁵ DOLE Department Order No. 4 and POEA Memorandum Circular No. 9, both series of 2000.

¹⁶ POEA Memorandum Circular No. 11, series of 2000.

Respondents additionally averred that petitioners were estopped from alleging that Godofredo was already sick prior to his embarkation on M/T *Umm Al Lulu*. Petitioners had all the opportunity to determine Godofredo's medical and mental fitness during the PEME, but at the end of such examination, petitioners found Godofredo fit to work. Moreover, the 1996 POEA-SEC did not contain any provision on a seafarer's concealment of a pre-existing illness, such provision was only introduced by the 2000 POEA-SEC.

Respondents further reasoned that there was no need for Godofredo to submit himself to a mandatory post-employment medical examination within 72 hours from his arrival in Manila as said requirement only applied to claims for sickness allowance. Besides, Godofredo could already be deemed exempt from complying with said requirement on the ground of physical impossibility as even before the expiration of the 72-hour period for compliance, he lost consciousness and was declared dead on arrival at the hospital.

Lastly, respondents invoked Article 4¹⁷ of the Labor Code of the Philippines, Article 1702¹⁸ of the Civil Code of the Philippines, and *Nicario v. National Labor Relations Commission*,¹⁹ and asserted that doubts in the interpretation of labor laws and regulations, as well as doubts reasonably arising from conflicting evidence of the parties, should be resolved in favor of labor.

Accordingly, respondents prayed for death benefits in the amount of US\$60,000.00; burial allowance in the amount of US\$1,000.00; allowances for their three children below the age of 21 in the total amount of US\$21,000.00;²⁰ and moral and exemplary damages. Also, respondents prayed for the award of attorney's fees, alleging that petitioners, in gross and evident bad faith, refused to satisfy their just and demandable claim, and forced them to litigate to protect their interests.

Petitioners' Arguments

Petitioners countered that Godofredo never complained of any illness to the master or any officer of M/T *Umm Al Lulu* while on board said vessel, and that Godofredo was able to perform his functions as a Messman throughout the duration of his employment. Petitioners only came to know about Godofredo's illness when after more than six months from his

¹⁷ ARTICLE 4. *Construction in favor of labor.* — All doubts in the implementation and interpretation of the provisions of this Code, including its implementing rules and regulations, shall be resolved in favor of labor.

¹⁸ ARTICLE 1702. In case of doubt, all labor legislation and all labor contracts shall be construed in favor of the safety and decent living for the laborer.

¹⁹ 356 Phil. 936, 943 (1998).

²⁰ US\$7,000 (child allowance) x 3 = US\$21,000.00.

repatriation, petitioners received a letter from respondent Luzviminda's counsel demanding compensation and allowance benefits on account of Godofredo's death in the aggregate amount of US\$106,000.00.

Petitioners contended that Godofredo's death is not compensable as it did not occur during the term of his employment. A seafarer's term of employment commenced from his actual departure from the airport or seaport in the point of hire and ceased upon completion of his period of contractual service, signing-off, and arrival at the point of hire. Godofredo's 10-month contract was about to expire on March 20, 2003 when he was safely repatriated without any medical condition a few days earlier, on March 16, 2003, as he was already in a convenient port. Godofredo finished his employment contract upon signing off from M/T *Umm Al Lulu* and arriving in Manila, his point of hire, on March 16, 2003. Clearly, Godofredo's death on March 19, 2003 was not compensable because it happened beyond the term of his contract.

In addition, petitioners maintained that Godofredo's death was not work-related. As a Messman, Godofredo's duties were limited to assisting the Chief Cook in the preparation of food and could not have contributed to his demise or increased the risk of acquiring the illness which caused his death. Godofredo was not subjected to any unusual strain or required to perform any strenuous activity that could trigger a heart attack.

Petitioners also argued that a hypertensive heart disease takes years to develop and most probably Godofredo was already suffering from said disease even before the start of his employment contract. However, Godofredo failed to disclose his ailment during his PEME, thus, barring respondents from receiving death benefits on the ground of concealment of a pre-existing illness. Godofredo likewise failed to submit himself to a mandatory post-employment medical examination within three working days from his disembarkation, another ground for the denial of respondents' claim for death benefits.

Finally, petitioners maintained that there was no basis to award attorney's fees to respondents because petitioners only acted within their legal right in denying respondents' claim for death benefits, and no bad faith or malice can be imputed against them.

Ruling of the Labor Arbiter

Labor Arbiter Arden S. Anni (Anni) rendered a Decision on September 23, 2005 in respondents' favor.

Labor Arbiter Anni found that Godofredo's 10-month employment contract commenced on May 20, 2002, upon his departure from Manila on board M/T *Umm Al Lulu*, and remained effective until March 20, 2003, when such contract should have expired/ended, so his death on March 19, 2003 occurred within the term of his employment. Labor Arbiter Anni further found that Godofredo was repatriated for medical reasons on March 16, 2003, a few days prior to the expiration/end of his contract:

As earlier mentioned, [Godofredo]'s contract was supposed to expire on March 20, 2003, but then he was repatriated on March 16, 2003, *i.e.*, four (4) days before the expiration of his contract. Seemingly, we can assume, *ipso facto*, that [Godofredo] was quickly repatriated on March 16, 2003 because of his continuous headaches and body pains, more pronounced in the nape area. And, rightly so, because on March 17, 2003 [Godofredo] was treated at the clinic of Dr. Cayetano Reyes in Cavite and was diagnosed as suffering from "Essential Hypertension." The ship captain must have been informed of [Godofredo]'s illness on board; Otherwise, who will issue the discharge and repatriation Order? This explains why the sudden discharge of [Godofredo] on March 16, 2003. Thus, to our (sic) mind, [Godofredo]'s repatriation was due to medical reason, and not due to finish contract as claimed by [petitioners]. Lamentably, none of the parties adduced evidence to prove their respective averments in this regard, not even the ship's logbook or the Master's order of discharge. Assuming *arguendo*, that [Godofredo] was not medically repatriated, would he be entitled to compensation benefits? YES, [Godofredo] would still be entitled to compensation benefits under Section 20(A) of the POEA Contract because he died due to work-related illness x x x.

Indeed, the circumstances surrounding the repatriation of [Godofredo] were shrouded with doubts and ambiguities, ergo. We are constrained to resolve such doubts and ambiguities in favor of labor. "It is a well-settled doctrine that if doubts exist between the evidence presented by the employer and the employee, the scales of justice must be tilted in favor of the latter. It is a time-honored rule that in controversies between a laborer and his master, doubts reasonably arising from the evidence or, in the interpretation of agreements and writings, should be resolved in the former's favor." (*Nicario vs. NLRC*, G.R. No. 125340, September 17, 1998).²¹

Labor Arbiter Anni concluded that Godofredo's illness was work-related, thus, rendering the latter's subsequent death compensable:

As borne out by the records, [Godofredo] disembarked from the vessel on March 16, 2003. The following day (March 17), he was treated at the clinic of Dr. Cayetano G. Reyes who diagnosed him as suffering from "Essential Hypertension" and required to rest for one (1) week with medication (Annex "D", [respondents'] position paper). On March 19, 2003, [Godofredo] lost his life. Cause of death indicates:

²¹ CA *rollo*, pp. 186-187.

Immediate Cause - Irreversible Shock
Antecedent Cause - Acute Myocardial Infarction
Underlying Cause - Hypertensive Heart Disease
(Annex "E", Suppra. [sic])

It must be stressed, at this point, that [Godofredo]'s treatment happened in one day (24-Hour) interval from his arrival in Manila and his death occurred within two days (48-Hour) from his treatment by Dr. Cayetano G. Reyes. In a span of only three days (72-hour) from [Godofredo]'s repatriation, a loss of a father – the only breadwinner in the family, suddenly struck the Repiso family like a lightning from the sky.

The sequence of events led us to conclude that [Godofredo]'s illness (Hypertension) was work-related as it was caused and/or aggravated by the nature of his work as Messman on board the vessel "M/T Umm Al Lulu."

In compensation benefits, the rules of the Employee's Compensation Commission (PD 626) are similar to the rules of the POEA Contract insofar as the principle of work-related illness and theory of aggravation are concerned. The rule is: "For the sickness and the resulting disability or death to be compensable, the sickness must be the result of an occupational disease listed in Section 32-A of the POEA Contract with the conditions set therein satisfied; Otherwise, proof must be shown that the risk of contracting the disease is increased by the working conditions (Vda. De Inquillo vs. ECC, G.R. No. 51543, June 6, 1989)." Another case, "if the illnesses are not occupational diseases, the claimant must present proof that he contracted them in the course of his employment. x x x (Galanida vs. ECC, et al., GR No. 70660, September 24, 1987)." (See Azucena's Labor Code, Vol. 1, 5th Ed. p. 387).

Noteworthy mentioning here is the fact that [Godofredo]'s illness (Essential Hypertension) is an Occupational Disease and listed No. 20 in Section 32-A of the POEA Contract. On this score alone, we find [Godofredo]'s death compensable in accordance with Section 20(A) of the POEA Standard Contract. Probability, not certainty, is the touchstone. x x x.²²

Petitioners' arguments that respondents' claim for death benefits was barred by Godofredo's concealment of a pre-existing illness and non-compliance with the mandatory post-employment medical examination within 72-hours from his arrival were rejected by Labor Arbiter Anni in this wise:

Did [Godofredo conceal] his hypertension (essential) during the pre-employment medical examination? The answer is NO. "Hypertension can be easily detected by a simple blood pressure check up using blood pressure apparatus. *Hypertension*, also called *High Blood Pressure*, condition in which the blood pressure in either arteries or veins is abnormally high. Blood pressure is the force exerted by the blood against

²²

Id. at 189-190.

the walls of the blood vessels. x x x Known as the “silent killer” because it may be present for years with no perceptible symptoms, hypertension is usually detected by a routine blood pressure test. x x x Hypertension is usually classified by cause as either essential (of unknown origin) or secondary (the result of a specific disease or disorder).” (p. 202, Vol. 6, the New Encyclopedia Britannica).

[Godofredo] underwent this kind of routine blood pressure test every time he was on contract with [petitioners] to board an ocean-going vessel. This Pre-employment Medical Examination is done by the company-designated physician before the signing of employment contract. Once the seaman-applicant passed this examination, he is, for all intents and purposes, considered fit to work on board the vessel. And [Godofredo] was subjected to this kind of medical examination for several times in the long years of his employment with CF Sharp since 1990. For [petitioners] to claim that [Godofredo] hid his illness during the pre-employment medical examination is, to us (sic), preposterous-if not, absurd. x x x

x x x x

As to the Fourth Issue, we rule likewise in favor of [respondents]. There is no credence to [petitioners’] argument that [Godofredo]’s failure to report to CF Sharp within three (3) days from his return is fatal to [respondents’] claim for compensation benefit. The reasons are obvious: how can [Godofredo] report to CF Sharp when on the second day of his arrival in Manila he was being treated by Dr. Cayetano Reyes? And on the third day, while about to report to CF Sharp office, he collapsed and eventually died on March 19, 2003? We need not elaborate the obvious. Besides, the three-day mandatory reporting requirement applies only to the forfeiture of sickness allowance on the assumption that the seafarer signed off from the vessel for medical treatment. It does not apply to death benefit compensation under Section 20 (A) of the POEA Contract. Under these circumstances, we find it not only unnecessary, but also impossible for [Godofredo] to comply with the three-day mandatory reporting requirement.²³

And because respondents were compelled to litigate and incurred expenses to protect their rights and interests, Labor Arbiter Anni granted respondents’ prayer for attorney’s fees.

In the end, Labor Arbiter Anni decreed:

WHEREFORE, PREMISES CONSIDERED, judgment is rendered, as follows:

1. Declaring that the death of seaman Godofredo Repiso occurred during the term of his employment contract and the same was work-related;

²³

Id. at 191-192.

2. Ordering [petitioners] jointly and severally, to pay [respondents] the amount of FIFTY THOUSAND US DOLLARS (US\$50,000.00) as death benefit;
3. Ordering [petitioners], jointly and severally, to pay [respondents] the amount of TWENTY-ONE THOUSAND US DOLLARS (US\$21,000.00) as additional benefits due each child of Luzviminda Repiso and the late Godofredo Repiso, at US\$7,000.00 per child (US\$7,000.00 x 3 = US\$21,000.00);
4. Ordering [petitioners], jointly and severally, to pay [respondents] burial expenses in the amount of ONE THOUSAND US DOLLARS (US\$1,000.00); and
5. Ordering [petitioners], jointly and severally, to pay [respondents] ten percent (10%) of the total monetary award as and by way of attorney's fees.

Claims for moral and exemplary damages are dismissed for lack of merit.

Payment can be made in US DOLLARS or in PHILIPPINE PESOS [equivalent] at the time of payment.²⁴

Ruling of the NLRC

Petitioners filed with the NLRC a Notice of Appeal with Memorandum of Appeal,²⁵ docketed as NLRC OFW CN 04-04-00916-00, essentially reiterating their allegations and arguments before the Labor Arbiter.

In its Decision dated August 24, 2006, the NLRC found merit in petitioners' appeal.

At the outset of its Decision, the NLRC established that the 1996 POEA-SEC governed the case given that the implementation of the 2000 POEA-SEC was suspended by a TRO issued by the Court.

The NLRC then proceeded to rule that Godofredo's death on March 19, 2003 already occurred outside the term of his employment contract:

We believe that the Labor Arbiter over-extended the meaning of the phrase "term of his contract" as used in the above provision. We do not have to go beyond the provisions of the standard contract to understand what it actually refers to:

²⁴ Id. at 193-194.

²⁵ Id. at 195-223.

“Section 2. Commencement/Duration of Contract

A. The employment contract between the employer and seafarer shall commence upon actual departure of the seafarer from the airport [or seaport] in the point of hire and with a POEA-approved contract. It shall be effective until the seafarer’s date of arrival at the point of hire upon termination of his employment pursuant to Section 18 of this Contract.

x x x x

and,

Section 18. Termination of Employment.

A. The employment of the seafarer shall cease when the seafarer completes his period of contractual service aboard the vessel, signs off from the vessel and arrives at the point of hire.

It is not an uncommon practice in the shipping industry that seafarers get off at the nearest and convenient port before the expiration of their contracts. Yet, this does not mean that they have not completed their services. The provisions on termination would not have found their way to the standard contract if their purpose were not to clarify how term of employment or term of contract should be interpreted. On this basis, We hold that when [Godofredo] disembarked on March 16, 2003, he did so for no other reason but that he already finished his contract of 10 months. We cannot accept the claim that he was repatriated for medical reasons because no evidence was ever adduced to prove it so. Even the Labor Arbiter noted that there was no ship logbook or Master’s report, to indicate that [Godofredo] was suffering from any illness before he was repatriated. His death three (3) days after arrival, unfortunate it may seem, is merely circumstantial.

Moreover, We find that support from jurisprudence that “term of contract” refers to the actual existence of employer-employee relations. In the most recent case of *Gau Sheng Phils. vs. Estella Joaquin* (G.R. No. 144665, September 8, 2004), the Supreme Court denied the claim for death benefits on the ground that seaman Joaquin’s employment had been terminated on the date he was repatriated, upon mutual consent, which was merely 28 days after he was deployed. Thus, there is here a categorical recognition that term of employment is not necessarily the duration of the contract. On this criterion alone, the claim for death and burial benefits must fail.²⁶

The NLRC also held that respondents failed to prove that Godofredo’s illness and death were work-related:

²⁶ Id. at 32-33.

Even under the old contract, We find the issue of work relation applicable. In the same Gau Sheng case (*infra*), the high court ruled that death compensation cannot be awarded unless there is substantial evidence showing that (a) the cause of death was reasonably connected with his work; or (b) the sickness for which he died is an accepted occupational disease; or (c) his working conditions increased the risk of contracting the disease for which he died.

In the instant case, [respondents were] unsuccessful in proving that [Godofredo]'s death was brought about by his recent work on board. [Godofredo] never complained of or reported any illness to [petitioners] before, during and after his disembarkation from M/T Umm Al Lulu. Based on the records, [petitioners] came to know of [Godofredo]'s death only months after his repatriation on March 16, 2003, or in September 2003 when they received the first letter of demand from [respondents] for payment of death benefits. The only documents they presented to support their claims were the doctor's certificate showing that [Godofredo] was diagnosed on March 17, 2003 as having essential hypertension and the death certificate showing the cause of death as hypertensive heart disease. But these do not prove that he contracted or suffered from the illness while on board during the term of his employment from May 20, 2002 to March 16, 2003. In fact, he was not even repatriated for medical reasons but for a finished contract.

On the other hand, [petitioners] substantially established that [Godofredo]'s death was not a factor. [Respondents] did not deny that as a messman, [Godofredo]'s duties were largely limited to the preparation of food in an assisting capacity to the Chief Cook. To our mind, there is thus nothing in his duties that could increase the risk of contracting a hypertensive heart disease.

Although hypertension and heart disease are admittedly work-related illnesses, they being included in the list of occupational diseases under the standard contract, [respondents] failed to meet the requisite conditions for compensability. Section 32-A of the contract provides that: "hypertension classified as primary or essentials is considered compensable if it causes impairment of function of body organs like kidneys, heart, eyes and brain, resulting in permanent disability; Provided, that, the following documents substantiate it: (a) chest x-ray report, (b) ECG report, (c) blood chemistry, (d) funduscopy report, and (e) C-T scan." And for cardiovascular diseases (or heart diseases), it is required that: "Any of the following conditions must be met: (a) If the heart disease was known to have been present during employment, there must be proof that an acute exacerbation was clearly precipitated by the unusual strain by reasons of the nature of his work. (b) The strain of work that brings about an acute attack must be [of] sufficient severity and must be followed within 24 hours by the clinical signs of a cardiac insult to constitute causal relationship. (c) If a person who was apparently asymptomatic before being subjected to strain at work showed signs and symptoms of cardiac injury during the performance of his work and such symptoms and signs persisted, it is reasonable to claim a causal relationship."

Records show that these conditions have not been satisfied. As earlier stated, it was not shown that [Godofredo] contracted or suffered from the illness while on board. Neither did the nature of [Godofredo]'s work as messman involve severe strain.

At this juncture, We must stress that award of compensation under the POEA standard contract can not rest on speculations or presumptions. As held by the Supreme Court in the case of Rosario vs. Denklay Marine (G.R. No. 166906, March 16, 2005):

x x x. It would be too presumptive for this Court to contemplate even the probability that Romeo contracted this illness while on board M/T Endurance. The burden is on the beneficiaries to show a reasonable connection between the causative circumstances in the employment of the deceased employee and his death or permanent total disability. x x x.

To reiterate, the [respondents] failed to discharge this burden. Thus, the Labor Arbiter should have denied both claims for death and burial benefits.²⁷

The NLRC finally adjudged:

WHEREFORE, premises considered, [petitioners'] appeal is GRANTED.

The appealed decision is REVERSED and SET- ASIDE and a new one is hereby entered DISMISSING the complaint [for] lack of merit.²⁸

Respondents filed a Motion for Reconsideration, which was denied by the NLRC in a Resolution dated February 27, 2007.

Ruling of the Court of Appeals

In their Petition for *Certiorari*²⁹ before the Court of Appeals, docketed as CA-G.R. SP No. 98857, respondents ascribed grave abuse of discretion on the part of the NLRC in denying their claims for death benefits and attorney's fees; and prayed for the reversal of the "anti-labor and anti-social justice" Decision of the NLRC and reinstatement of Labor Arbiter Anni's Decision.

The Court of Appeals, in its Decision dated September 9, 2009, granted respondents' Petition.

²⁷ Id. at 33-36.

²⁸ Id. at 36.

²⁹ Id. at 2-26.

The Court of Appeals disagreed with the NLRC ruling that Godofredo already finished his contract of 10 months when he disembarked from M/T *Umm Al Lulu* on March 16, 2003 and concurred in Labor Arbiter Anni's finding that Godofredo was repatriated on said date for medical reasons. The appellate court rationalized that:

The above observations of the Labor Arbiter are more in consonance with the principle that strict rules of evidence are not applicable in claims for compensation. In the case of *NFD International Manning Agencies, Inc. vs. NLRC*, the Supreme Court held:

“Strict rules of evidence, it must be remembered, are not applicable in claims for compensation and disability benefits. Private respondent having substantially established the causative circumstances leading to his permanent total disability to have transpired during his employment, we find the NLRC to have acted in the exercise of its sound discretion in awarding permanent total disability benefits to private respondent. Probability and not the ultimate degree of certainty is the test of proof in compensation proceedings.”

Contrary to the finding of the NLRC, records do not show that Godofredo disembarked from the vessel at the nearest and convenient port due to “end of contract.” Neither was it shown or proven by [petitioners] that Godofredo's contractual service aboard the vessel “M/T UMM AL LULU” was completed or that he signed-off from the vessel. On the contrary, We find by preponderance of evidence that Godofredo was repatriated on 16 March 2003 for medical reasons before his contract was to end on 20 March 2003. In fact, as also found by the Labor Arbiter, Godofredo immediately sought medical treatment at the Clinic of Dr. Cayetano G. Reyes on 17 March 2003, where he was required to rest for one (1) week with medication.

Conversely, this Court is at a [loss] why [petitioners], having easy access over the ship's logbook or master's report, failed to present the same before the NLRC or the Labor Arbiter to disprove [respondents'] claim that [Godofredo] was repatriated for medical reasons and to prove the latter's end of contract. Their failure to do so only constrains us more to believe that indeed, Godofredo was repatriated for medical reasons on 16 March 2003, or three (3) days before his untimely death on 19 March 2003.³⁰ (Citation omitted.)

The Court of Appeals thus determined that the NLRC Decision was indeed rendered with grave abuse of discretion, being capricious and whimsical as it was contrary to the present facts and existing jurisprudence. Before ending, the appellate court deemed it worthy to stress:

On a final note, the doctrine annunciated in the case of *Wallem Maritime Services, Inc. vs. NLRC*, wherein the High Court held that the

³⁰ *Rollo*, pp. 58-59.

POEA Standard Employment Contract for Seamen is designed primarily for the protection and benefit of Filipino seamen in the pursuit of their employment on board ocean-going vessels, need not be emphasized. The provisions of the POEA Standard Employment Contract for Seamen must, therefore, be construed and applied fairly, reasonably and liberally in favor of the Seamen. Only then can its beneficent provisions be fully carried into effect.³¹

Accordingly, the dispositive portion of the Court of Appeals Decision reads:

WHEREFORE, premises considered, the petition is GRANTED. The assailed Decision and Resolution of the NLRC, Third Division, dated 24 August 2006 and 27 February 2007, respectively, are hereby REVERSED and SET ASIDE for having been issued with grave abuse of discretion. The 23 September 2005 Decision of the labor arbiter is REINSTATED. No costs.³²

Petitioners filed a Motion for Reconsideration,³³ but the same was denied in the assailed Resolution dated December 9, 2009.

The Ruling of the Court

Aggrieved, petitioners filed the instant Petition for Review on *Certiorari*³⁴ raising the following legal and factual issues:

1. Whether the Court of Appeals committed serious, reversible error of law in failing to consider that the contract of employment of Mr. Godofredo Repiso was terminated upon his arrival in the Philippines (the point of hire) as provided in POEA-SEC.

2. Whether the Court of Appeals committed serious, reversible error of law in failing to consider that Mr. Godofredo Repiso never died of an illness suffered on board as there was no evidence showing any medical discomfort or incidents on board leading to such conclusion.

3. Whether the Court of Appeals committed serious, reversible error of law in failing to consider that respondents' failure to submit evidence of any incident on board is not equivalent to substantial evidence required in any quasi-judicial proceedings, such as the NLRC, to prove an illness suffered on board.³⁵

There is no merit in the present Petition.

³¹ Id. at 59-60.

³² Id. at 60.

³³ Id. at 61-77.

³⁴ Id. at 24-48.

³⁵ Id. at 28.

It must be stressed that issues of facts may not be raised under Rule 45 of the Rules of Court because this Court is not a trier of facts. It is not to re-examine and assess the evidence on record, whether testimonial and documentary.³⁶ There are, however, recognized exceptions,³⁷ such as the instant case, where the factual findings of the Labor Arbiter and the Court of Appeals are inconsistent with that of the NLRC.

Whether or not Godofredo's death is compensable depends on the terms and conditions of his Contract of Employment. The employment of seafarers, including claims for death benefits, is governed by the contracts they sign at the time of their engagement. As long as the stipulations in said contracts are not contrary to law, morals, public order, or public policy, they have the force of law between the parties. Nonetheless, while the seafarer and his employer are governed by their mutual agreement, the POEA Rules and Regulations require that the POEA-SEC be integrated in every seafarer's contract.³⁸

Pertinent provisions of Godofredo's Contract of Employment are reproduced below:

1. That the employee shall be employed on board under the following terms and conditions

1.1	Duration of Contract	10.00 months
1.2	Position	MESSMAN/GP
1.3	Basic Monthly Salary	\$ 560.21 per month
1.4	Living Allowance	\$ 0.00 per month
1.5	Hours of Work	44.00 per week
1.6	Overtime Rate	\$224.08 per month for the first 90.00 OT hours \$3.50 in excess of 90.00 OT Hours
1.7	Vacation leave with pay	6.00 days per month
1.8	POINT OF HIRE	MANILA

2. The herein terms and conditions in accordance with [Department of Labor and Employment (DOLE)] Department Order No. 4 and

³⁶ *Litonjua, Jr. v. Eternit Corporation*, 523 Phil. 588, 605 (2006).

³⁷ (1) When the conclusion is a finding grounded entirely on speculations, surmises, or conjectures; (2) when the inference made is manifestly mistaken, absurd, or impossible; (3) when there is grave abuse of discretion; (4) when the judgment is based on a misapprehension of facts; (5) **when the findings of fact are conflicting**; (6) when the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) when the findings of the Court of Appeals are contrary to those of the trial court; (8) when the findings of fact are conclusions without citation of specific evidence on which they are based; (9) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion; and (10) when the findings of fact of the Court of Appeals are premised on the absence of evidence and are contradicted by the evidence on record. (*Litonjua, Jr. v. Eternit Corporation*, id.)

³⁸ *Inter-Orient Maritime, Inc. v. Candava*, G.R. No. 201251, June 26, 2013, 700 SCRA 174, 182.

[POEA] Memorandum Circular No. 09, both Series of 2000, shall be strictly and faithfully observed.

3. Any alterations or changes, in any part of this Contract shall be evaluated, verified, processed, and approved by the Philippine Overseas Employment Administration (POEA). Upon approval, the same shall be deemed an integral part of the Standard Terms and Conditions Governing the Employment of Filipino Seafarers On Board Ocean-Going Vessels.
4. Violations of the terms and conditions of this Contract with its approved addendum shall be ground for disciplinary action against the erring party.³⁹

DOLE Department Order No. 04 and POEA Memorandum Circular No. 09, both series of 2000, referred to in Paragraph No. 2 of the aforementioned Contract, put into effect the 2000 POEA-SEC. However, by reason of a TRO issued by this Court enjoining the implementation of certain provisions of the 2000 POEA-SEC, the POEA issued Memorandum Circular No. 11, series of 2000, on **September 12, 2000**, which advised that (a) Section 20, Paragraphs (A), (B), and (D) of the 1996 POEA-SEC should be applied in lieu of Section 20, Paragraphs (A), (B), and (D) of the 2000 POEA-SEC; and (b) Implementation of Section 20, Paragraphs (E) and (G) of the 2000 POEA-SEC was suspended. Section 20 of both the 1996 and 2000 POEA-SEC governed the Compensation and Benefits of Filipino seafarers. POEA rescinded its Memorandum Circular No. 11, series of 2000, and gave effect to the full text of the 2000 POEA-SEC, in its Memorandum Circular No. 02, series of 2002, issued on **June 5, 2002**. Consequently, at the time Godofredo and petitioners executed the subject Contract of Employment on **April 24, 2002**, Section 20 of the 1996 POEA-SEC applied.

Respondents' claims for benefits are based on Section 20(A) of the 1996 POEA-SEC, which provided:

SECTION 20. COMPENSATION AND BENEFITS

A. COMPENSATION AND BENEFITS FOR DEATH

1. **In case of death of the seafarer during the term of his contract**, the employer shall pay his beneficiaries the Philippine Currency equivalent to the amount of Fifty Thousand US dollars (US\$50,000) and an additional amount of Seven Thousand US dollars (US\$7,000) to each child under the age of twenty-one (21) but not exceeding four (4) children, at the exchange rate prevailing during the time of payment.

³⁹ CA rollo, p. 45.

x x x x

4. The other liabilities of the employer **when the seafarer dies as a result of injury or illness during the term of employment** are as follows:
 - a. The employer shall pay the deceased's beneficiary all outstanding obligations due the seafarer under this Contract.
 - b. The employer shall transport the remains and personal effects of the seafarer to the Philippines at employer's expense except if the death occurred in a port where local government laws or regulations do not permit the transport of such remains. In case death occurs at sea, the disposition of the remains shall be handled or dealt with in accordance with the master's best judgment. In all cases, the employer/master shall communicate with the manning agency to advise for disposition of seafarer's remains.
 - c. The employer shall pay the beneficiaries of the seafarer the Philippine currency equivalent to the amount of One Thousand US dollars (US\$1,000) for burial expenses at the exchange rate prevailing during the time of payment. (Emphasis supplied.)

As a rule, stipulations in an employment contract not contrary to statutes, public policy, public order or morals have the force of law between the contracting parties. In controversies between a laborer and his master, doubts reasonably arising from the evidence or in the interpretation of agreements and writing should be resolved in the former's favor. The policy is to extend the doctrine to a greater number of employees who can avail of the benefits under the law, in consonance with the avowed policy of the State, under Article XIII, Section 3 of the 1987 Constitution, to give maximum aid and protection to labor.⁴⁰ Consistent with this policy, the POEA-SEC was designed primarily for the protection and benefit of Filipino seafarers in the pursuit of their employment on board ocean-going vessels. As such, it is a standing principle that its provisions are to be construed and applied fairly, reasonably, and liberally in their favor.⁴¹

For a seafarer's death to be compensable under the 1996 POEA-SEC, the Court explicitly ruled in *Inter-Orient Maritime, Inc. v. Candava*⁴² that:

The prevailing rule under the 1996 POEA-SEC was that the illness leading to the eventual death of seafarer **need not be shown to be work-related** in order to be compensable, but must be proven to have been **contracted during the term of the contract**. Neither is it required

⁴⁰ *Remigio v. National Labor Relations Commission*, 521 Phil. 330, 345 (2006).

⁴¹ *Racelis v. United Philippine Lines, Inc.*, G.R. No. 198408, November 12, 2014.

⁴² *Supra* note 38 at 182.

that there be proof that the working conditions increased the risk of contracting the disease or illness. An injury or accident is said to arise **“in the course of employment”** when it takes place within the period of employment, at a place where the employee reasonably may be, and while he is fulfilling his duties or is engaged in doing something incidental thereto. (Emphases supplied, citations omitted.)

Based on the foregoing, herein respondents are entitled to the benefits they are claiming as it can be logically and reasonably concluded from the particular circumstances in the case at bar that Godofredo contracted the illness which eventually caused his death during the term of his contract or in the course of his employment.

Respondents alleged, and petitioners did not refute, that Godofredo’s employment with petitioner C.F. Sharp started way back in 1990. From then until his last employment with petitioner C.F. Sharp in 2002-2003, there was no record of him suffering from hypertension and/or heart disease. Before Godofredo boarded M/T *Umm Al Lulu* on May 20, 2002, he underwent PEME and was declared fit to work. This negates petitioners’ claim that Godofredo concealed a pre-existing illness. It is true that the Court had previously declared that the PEME could not be relied upon to inform the employer/s of a seafarer’s true state of health, and there were instances when the PEME could not have divulged the seafarer’s illness considering that the examinations were not exploratory.⁴³ Even so, as Labor Arbiter Anni and the Court of Appeals observed in the instant case, Godofredo’s hypertension and/or heart disease could have been easily detected by standard/routine tests included in the PEME, *i.e.*, blood pressure test, electrocardiogram, chest x-ray, and/or blood chemistry.

Godofredo had no previous record of hypertension and/or heart disease before he boarded M/T *Umm Al Lulu* on May 20, 2002; but when he was repatriated at a port in Manila on March 16, 2003 and examined by Dr. Reyes on March 17, 2003, he was already diagnosed to be suffering from “Essential Hypertension.” On March 19, 2003, just three days after his repatriation, Godofredo died and the underlying cause for his death was identified as “Hypertensive Heart Disease.” Taking into account these circumstances, the Court is convinced that Godofredo contracted hypertension and/or heart disease during his term of employment with petitioners beginning May 20, 2002 until his repatriation on March 16, 2003. In contrast, the Court is not swayed by petitioners’ contention that the 10-month period was too short for Godofredo to have developed his illness, which was totally unsubstantiated.

⁴³ *NYK-Fil Ship Management, Inc. v. National Labor Relations Commission*, 534 Phil. 725, 739 (2006).

Worth reiterating herein are the following pronouncements of the Court in *Wallem Maritime Services, Inc. v. National Labor Relations Commission*⁴⁴:

[B]efore Faustino Inductivo was made to sign the employment contract with petitioners he was required to undergo, as a matter of procedure, medical examinations and was declared fit to work by no less than petitioners' doctors. Petitioners cannot now be heard to claim that at the time Faustino Inductivo was employed by them he was afflicted with a serious disease, and that the medical examination conducted on the deceased seaman was not exploratory in nature such that his disease was not detected in the first instance. Being the employer, petitioners had all the opportunity to pre-qualify, screen and choose their applicants and determine whether they were medically, psychologically and mentally fit for the job upon employment. The moment they have chosen an applicant they are deemed to have subjected him to the required pre-qualification standards.

But even assuming that the ailment of Faustino Inductivo was contracted prior to his employment on board "MT Rowan," this is not a drawback to the compensability of the disease. It is not required that the employment be the sole factor in the growth, development or acceleration of the illness to entitle the claimant to the benefits provided therefor. It is enough that the employment had contributed, even in a small degree, to the development of the disease and in bringing about his death.

X X X X

Neither is it necessary, in order to recover compensation, that the employee must have been in perfect condition or health at the time he contracted the disease. Every workingman brings with him to his employment certain infirmities, and while the employer is not the insurer of the health of the employees, he takes them as he finds them and assumes the risk of liability. If the disease is the proximate cause of the employee's death for which compensation is sought, the previous physical condition of the employee is unimportant and recovery may be had therefor independent of any pre-existing disease. (Citation omitted.)

Besides, it bears to point out that the implementation of Section 20(E) of the 2000 POEA-SEC, disqualifying a seafarer from any compensation and benefits because of concealment of a pre-existing condition,⁴⁵ was explicitly suspended by Memorandum Circular No. 11, series of 2000, and the 1996 POEA-SEC contained no such provision.

⁴⁴ 376 Phil. 738, 746-748 (1999).

⁴⁵ E. A seafarer who knowingly conceals and does not disclose past medical condition, disability and history in the pre-employment medical examination constitutes fraudulent misrepresentation and shall disqualify him from any compensation and benefits. This may also be a valid ground for termination of employment and imposition of the appropriate administrative and legal sanctions.

Godofredo's 10-month Contract of Employment was to end on March 20, 2003. Yet, Godofredo was already repatriated on March 16, 2003 in Manila. Respondents allege that Godofredo was repatriated for medical reasons because he was already experiencing continuous headaches and body pains on board M/T *Umm Al Lulu*. Petitioners aver that Godofredo was merely repatriated at a convenient port, allowed under Section 19(B) of the 2000 POEA-SEC⁴⁶ which stated:

SECTION 19. REPATRIATION

x x x x

- (B) If the vessel arrives at a convenient port before the expiration of the contract, the master/employer may repatriate the seafarer from such port, provided the unserved portion of his contract is not more than one (1) month. The seafarer shall be entitled only to his earned wages and earned leave pay and to his basic wages corresponding to the unserved portion of the contract, unless within 60 days from disembarkation, the seafarer is rehired at the same rate and position, in which case the seafarer shall be entitled only to his earned wages and earned leave pay.

“Convenient port” was defined as “any port where it is practicable, economical, safe and convenient to repatriate the seafarer.”⁴⁷

Between the two claims as to the reason for Godofredo's repatriation, that of the respondents is more persuasive, especially considering that Godofredo, the very next day following his repatriation, did not rest or spend time with his family, but immediately went to a medical clinic to see a doctor. This could only mean that Godofredo was already not feeling well. In fact, Dr. Reyes, who examined Godofredo on March 17, 2003, diagnosed him with “Essential Hypertension” and advised him to take the prescribed medication and rest for a week; but only two days after, on March 19, 2003, Godofredo already collapsed and died from his heart ailment. This sequence of events establishes Godofredo's ill state of health upon his repatriation in Manila on March 16, 2003.

The burden was thus shifted to petitioners to prove that Godofredo was only repatriated at a convenient port. However, aside from their bare allegations, petitioners did not present any other proof of their purported reason for Godofredo's repatriation. Petitioners explain that they no longer presented in evidence the ship's logbook or master's report since Godofredo did not complain of or suffer any illness on board M/T *Umm Al Lulu*, hence, there was no such entry in the ship's logbook or any master's report of such incident. The Court notes though that petitioners had possession of and

⁴⁶ Referred to Section 19(B) of the 2000 POEA-SEC since it was not covered by Memorandum Circular No. 11, series of 2000.

⁴⁷ No. 2 of the Definition of Terms of the 2000 POEA-SEC.

access to all logbooks and records of M/T *Umm Al Lulu*, and presentation of the said logbooks and records would have been material to prove the **actual absence** of any entry or report regarding Godofredo's health while he was on board. Moreover, it is difficult to believe that petitioners had absolutely no log entry or record regarding Godofredo's repatriation, whether for medical or any other reason. Godofredo could not have disembarked from M/T *Umm Al Lulu* without express authority or consent from the master of the ship or petitioners as Godofredo's employers, and such authority or consent would have most likely stated the justifying cause for the same. That petitioners did not present such logbooks and records even gives rise to the presumption that something in said logbooks and records is actually adverse to petitioners' case.

It is important to determine definitively that Godofredo was repatriated for medical reasons because Section 20(A)(1) of the 1996 POEA-SEC covered cases wherein the seafarer's death occurred "during the term of his contract." The same phrase could be found in Section 20(A)(1) of the 2000 POEA-SEC, only this more recent version of the provision additionally required that the death be "work-related."⁴⁸ Strictly, medical repatriation of the seafarer at the point of hire meant the termination of his employment.⁴⁹ Nevertheless, in *Canuel v. Magsaysay Maritime Corporation*,⁵⁰ the Court adjudged that the heirs of a seafarer who died after his medical repatriation could still recover the compensation and benefits provided in Section 20(A) of the 2000 POEA-SEC, reasoning as follows:

Applying the rule on liberal construction, the Court is thus brought to the recognition that **medical repatriation cases should be considered as an exception to Section 20 of the 2000 POEA-SEC**. Accordingly, the phrase "work-related death of the seafarer, **during the term of his employment contract**" under Part A (1) of the said provision **should not be strictly and literally construed to mean that the seafarer's work-related death should have precisely occurred during the term of his employment. Rather, it is enough that the seafarer's work-related injury or illness which eventually causes his death should have occurred during the term of his employment**. Taking all things into account, the Court reckons that it is by this method of construction that undue prejudice to the laborer and his heirs may be obviated and the State policy on labor protection be championed. For if the laborer's death was brought about (whether fully or partially) by the work he had harbored for his master's profit, then it is but proper that his demise be compensated. (Emphases supplied.)

⁴⁸ 1. In case of work-related death of the seafarer, during the term of his contract the employer shall pay the beneficiaries the Philippine Currency equivalent to the amount of Fifty Thousand US dollars (US\$50,000) and an additional amount of Seven Thousand US dollars (US\$7,000) to each child under the age of twenty-one (21) but not exceeding four (4) children, at the exchange rate prevailing during the time of payment.

⁴⁹ Section 18(B)(1) of both the 1996 POEA-SEC and 2000 POEA-SEC.

⁵⁰ G.R. No. 190161, October 13, 2014.

As the following survey of cases in *Canuel* will show, the Court had previously granted claims for death benefits (some under the 1984 and 1996 POEA-SEC) even though the seafarers' death occurred after their repatriation:

Meanwhile, on the opposite end of the jurisprudential spectrum, the Court, in a number of cases, **granted** claims for death benefits although the seafarers' death therein had occurred after their repatriation primarily because of the causal connection between their work and the illness which had eventually resulted in their death.

In the 1999 case of *Wallem Maritime Service, Inc. v. NLRC*, the death benefit claims of the heirs of the seafarer who had died after having been repatriated on account of "mutual consent" between him and his employer was allowed by the Court because of the "reasonable connection" between his job and his illness. As pertinently stated in that case:

It is not required that the employment be the sole factor in the growth, development or acceleration of the illness to entitle the claimant to the benefits provided therefor. **It is enough that the employment had contributed, even in a small degree, to the development of the disease and in bringing about his death.**

It is indeed safe to presume that, at the very least, the nature of Faustino Inductivo's employment had contributed to the aggravation of his illness – if indeed it was pre-existing at the time of his employment – and therefore it is but just that he be duly compensated for it. **It cannot be denied that there was at least a reasonable connection between his job and his lung infection, which eventually developed into septicemia and ultimately caused his death. As a [utility man] on board the vessel, he was exposed to harsh sea weather, chemical irritants, dusts, etc., all of which invariably contributed to his illness.**

Neither is it necessary, in order to recover compensation, that the employee must have been in perfect condition or health at the time he contracted the disease. Every workingman brings with him to his employment certain infirmities, and while the employer is not the insurer of the health of the employees, he takes them as he finds them and assumes the risk of liability. If the disease is the proximate cause of the employee's death for which compensation is sought, the previous physical condition of the employee is unimportant and recovery may be had therefor independent of any pre-existing disease.

Later, the Court, in *Seagull Shipmanagement and Transport, Inc. v. NLRC* – a sickness and permanent disability claims case decided under the auspices of the 1984 version of the POEA-SEC (which, unlike the present standard contract, only requires that the illness of death occur during the term of the employment whether work-related or not) – significantly observed that:

Even assuming that the ailment of the worker was contracted prior to his employment, this still would not deprive him of compensation benefits. **For what matters is that his work had contributed, even in a small degree, to the development of the disease and in bringing about his eventual death.** Neither is it necessary, in order to recover compensation, that the employee must have been in perfect health at the time he contracted the disease. A worker brings with him possible infirmities in the course of his employment, and while the employer is not the insurer of the health of the employees, he takes them as he finds them and assumes the risk of liability. **If the disease is the proximate cause of the employee's death for which compensation is sought, the previous physical condition of the employee is unimportant, and recovery may be had for said death, independently of any pre-existing disease.**

The Court similarly took into account the work-relatedness element in granting the death benefits claim in *Interorient Maritime Enterprises, Inc. v. Remo*, a 2010 case decided under the 1996 POEA-SEC which operated under parameters identical to the 1984 POEA-SEC. Quoted hereunder are the pertinent portions of that ruling:

It was established on record that before the late Lutero Remo signed his last contract with private respondents as Cook-Steward of the vessel “M/T Captain Mitsos L,” he was required to undergo a series of medical examinations. Yet, he was declared “fit to work” by private respondents’ company designated-physician. On April 19, 1999, Remo was discharged from his vessel after he was hospitalized in Fujairah for atrial fibrillation and congestive heart failure. **His death on August 28, 2000, even if it occurred months after his repatriation, due to hypertensive cardio-vascular disease, could clearly have been work related.** Declared as “fit to work” at the time of hiring, and hospitalized while on service on account of “atrial fibrillation and congestive heart failure,” his eventual death due to “hypertensive cardio-vascular disease” could only be work related. The death due to “hypertensive cardio-vascular disease” could in fact be traced to Lutero Remo’s being the “Cook-Steward.” **As Cook-Steward of an ocean going vessel, Remo had no choice but to prepare and eat hypertension inducing food, a kind of food that eventually caused his**

“hypertensive cardio-vascular disease,” a disease which in turn admittedly caused his death.

Private respondents cannot deny liability for the subject death by claiming that the seafarer’s death occurred beyond the term of his employment and worsely, that there has been misrepresentation on the part of the seafarer. For, as employer, the private respondents had all the opportunity to pre-qualify, thoroughly screen and choose their applicants to determine if they are medically, psychologically and mentally fit for employment. That the seafarer here was subjected to the required pre-qualification standards before he was admitted as Cook-Steward, it thus has to be safely presumed that the late Remo was in a good state of health when he boarded the vessel.

More recently, in the 2013 case of *Inter-Orient Maritime, Incorporated v. Candava*, also decided under the framework of the 1996 POEA-SEC, the Court pronounced that the seafarer's death therein, despite occurring after his repatriation, remains “compensable for having been caused by an illness duly established to have been contracted in the course of his employment.”⁵¹ (Citations omitted.)

The Court highlighted at the end of *Canuel* that:

[C]onsidering the constitutional mandate on labor as well as relative jurisprudential context, the rule, restated for a final time, should be as follows: **if the seafarer's work-related injury or illness (that eventually causes his medical repatriation and, thereafter, his death, as in this case) occurs during the term of his employment, then the employer becomes liable for death compensation benefits under Section 20 (A) of the 2000 POEA-SEC.** The provision cannot be construed otherwise for to do so would not only transgress prevailing constitutional policy and deride the bearings of relevant case law but also result in a travesty of fairness and an indifference to social justice.⁵²

Therefore, the Court herein likewise considers medical repatriation an exceptional circumstance and allows the heirs of the seafarer who died after he had been medically repatriated to recover the compensation and benefits provided in Section 20(A) of the 1996 POEA-SEC. The phrase “death of the seafarer during the term of his contract” in Section 20(A)(1) of the 1996 POEA-SEC should not be strictly and literally construed to mean that the seafarer’s death should have occurred during the term of his employment; it is enough that the seafarer’s work-related injury or illness which eventually caused his death occurred during the term of his employment.

⁵¹ Id.

⁵² Id.

The insistence of petitioners on the post-employment medical examination of the seafarer by a company-designated physician within three days from arrival at the point of hire is misplaced. Said post-employment medical examination was required under Section 20(B)(3) of the 1996 POEA-SEC for compensation and benefits for a seafarer's injury or illness; it was not a requisite under Section 20(A) of the 1996 POEA-SEC for compensation and benefits for a seafarer's death. In addition, Section 20(B)(3) of the 1996 POEA-SEC itself allowed as an exception from said requirement a seafarer who is physically incapacitated from complying with same.⁵³ Apparently, in the case at bar, Godofredo was already of poor health and weak physical condition upon his repatriation on March 16, 2003, which necessitated his immediate visit to a nearby clinic the very next day, on March 17, 2003. In any case, Godofredo still had until March 19, 2003 to see a company-designated physician but he died on the same day of a cause ("Hypertensive Heart Disease") directly linked to the illness ("Essential Hypertension") he developed during his term of employment on M/T *Umm Al Lulu* and for which he was medically repatriated. Again, the observation of the Court in *Wallem Maritime Services, Inc.*, quoted below, is of particular significance to Godofredo's case:

Admittedly, Faustino Inductivo did not subject himself to post-employment medical examination within three (3) days from his return to the Philippines, as required by the above provision of the POEA standard employment contract. But such requirement is not absolute and admits of an exception, *i.e.*, when the seaman is physically incapacitated from complying with the requirement. Indeed, for a man who was terminally ill and in need of urgent medical attention one could not reasonably expect that he would immediately resort to and avail of the required medical examination, assuming that he was still capable of submitting himself to such examination at that time. It is quite understandable that his immediate desire was to be with his family in Nueva Ecija whom he knew would take care of him. Surely, under the circumstances, we cannot deny him, or his surviving heirs after his death, the right to claim benefits under the law.⁵⁴

Equally unavailing in this case are the references made by the NLRC to the requirements for compensable death from occupational diseases, listed under Section 32-A of the 2000 POEA-SEC. However, Section 32 (Schedule of Disability or Impediment for Injuries Suffered and Diseases Including Occupational Diseases or Illness Contracted) and Section 32-A (Occupational Diseases) of the 2000 POEA-SEC could only be applied in relation to Section 20 (Compensation and Benefits) of the same POEA-SEC, and as the Court previously declared herein, the use or implementation of Section 20 of the 2000 POEA-SEC was suspended by POEA Memorandum Circular No. 11, series of 2000. In the meantime, Section 20 of the 1996

⁵³ Section 20(B)(3), Memorandum Circular No. 55, Series of 1996.

⁵⁴ *Wallem Maritime Services, Inc. v. National Labor Relations Commission*, supra note 44 at 748.

POEA-SEC applied to Godofredo's case; and the 1996 POEA-SEC did not contain a provision corresponding to Section 32-A of the 2000 POEA-SEC. To apply Section 32-A of the 2000 POEA-SEC to Godofredo's case would be to impose additional conditions on the claim for compensation and benefits for his death based on Section 20(A) of the 1996 POEA-SEC, which would be contrary to the rule on liberal construction of the laws and contracts in favor of labor.

Finally, the cases cited by petitioners, in which the Court denied the claims for compensation and benefits for seafarers' death occurring after their repatriation, are not on all fours with this case. In *Hermogenes v. Osco Shipping Services, Inc.*,⁵⁵ the claim for compensation and benefits was not granted because there was no clear reason why the seafarer's contract of employment was terminated just two months after it started; his death occurred more than three years after such termination of contract; and there was no medical proof that his death was due to an illness contracted during his last term of employment. The seafarer in *Prudential Shipping Management Corporation v. Sta. Rita*⁵⁶ was medically repatriated and his contract of employment was deemed terminated on March 8, 2000. He underwent surgery to repair his umbilical hernia and for which he was already paid sickness allowance. He died more than a year later on March 18, 2001 of "cardiopulmonary arrest secondary to metabolic acidosis, acute renal failure and hepatocellular carcinoma." The claim for compensation and benefits was denied in said case since the seafarer's death was not shown to be connected to the umbilical hernia for which he was repatriated in March 2000. *Klaveness Maritime Agency, Inc. v. Beneficiaries of Anthony Allas*,⁵⁷ already involved the 2000 POEA-SEC which not only required that the seafarer's death occurred or the illness causing the seafarer's death was contracted during the term of employment, but also that said death/illness was work-related. Therein seafarer died one and a half years after the termination of his employment and there was no substantial evidence linking his urinary bladder cancer to his work, thus, barring his heirs' claim for compensation and benefits for his death. *Estate of Posedio Ortega v. Court of Appeals*⁵⁸ also concerned the 2000 POEA-SEC. In less than a month from boarding the ship, therein seafarer fell ill, and was diagnosed with lung cancer and repatriated to the Philippines, where he underwent chemotherapy and medication. Barely three months after his repatriation, the seafarer succumbed to lung cancer. The Court did not allow the claim for compensation and benefits for the seafarer's death as there was no showing that his lung cancer was brought about by his short stint on board the employer's vessel.

⁵⁵ 504 Phil. 564 (2005).


⁵⁶ 544 Phil. 94 (2007).

⁵⁷ 566 Phil. 579 (2008).

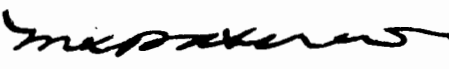
⁵⁸ 576 Phil. 601 (2008).

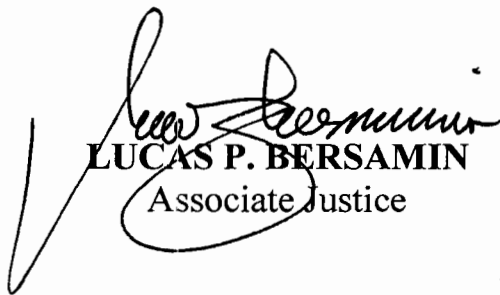
WHEREFORE, premises considered, the instant Petition for Review on *Certiorari* is **DENIED**. The assailed Decision dated September 9, 2009 and Resolution dated December 9, 2009 of the Court of Appeals in CA-G.R. SP No. 98857 are **AFFIRMED**.


SO ORDERED.


TERESITA J. LEONARDO-DE CASTRO
Associate Justice

WE CONCUR:


MARIA LOURDES P. A. SERENO
Chief Justice
Chairperson

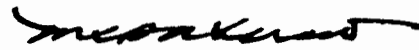

LUCAS P. BERSAMIN
Associate Justice


ESTELA M. PERLAS-BERNABE
Associate Justice


FRANCIS H. JARDELEZA
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO
Chief Justice