Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

CF SHARP CREW MANAGEMENT INC., NORWEGIAN CRUISE LINES INC., AND JICKIE ILAGAN,
Petitioners,

- versus -

MANUEL M. CUNANAN,
Respondent.

x----------x

G.R. No. 210072

Present:

PERLAS-BERNABE, *S.A.J.*,
Chairperson,
HERNANDO,
INTING,
GAERLAN, *and*
ROSARIO,* *JJ.*

Promulgated:
AUG 04 2021

x----------x

DECISION

GAERLAN, *J.*:

Before Us is a Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court challenging the Resolutions dated November 23, 2012[2] and November 18, 2013[3] of the Court of Appeals (CA) in CA-G.R. SP No. 126243. The earlier Resolution dismissed the petition for *certiorari* filed by CF Sharp Crew Management Inc. (CF Sharp Crew), Norweigan Cruise Lines Inc. (Norweigan Cruise), and Jickie Ilagan (collectively, petitioners) while the subsequent Resolution denied their motion for reconsideration.

Facts

The following are not disputed:

---

* Designated additional Member per Special Order No. 2835 dated July 15, 2021.

1 *Rollo*, pp. 52-75.

2 Id. at 13-19; penned by Associate justice Eduardo B. Peralta, Jr. and concurred in by Associate Justices Vicente S.E. Veloso and Jane Aurora C. Lantion.

3 Id. at 21.

Sometime in October 2009, Manuel M. Cunanan (respondent) was hired as an assistant carpenter by petitioner CF Sharp Crew, for and on behalf of its foreign principal, Norwegian Cruise.[4] Respondent's employment contract was for ten (10) months. He was deployed on November 20, 2009. Respondent initially boarded the vessel M/S Norwegian Spirit and was later transferred to M/S Norwegian Dawn on January 24, 2010.[5]

On February 16, 2010, while working on board, respondent consulted with the ship physician, who noted respondent's elevated blood sugar and hypertension. On repeat examination the next day, respondent's blood sugar level was still elevated. He was advised to seek medical consultation upon return to his home country.[6]

On February 23, 2010, respondent was medically repatriated.[7]

On February 24, 2010, respondent was referred to the company-designated clinic. The Medical Report dated March 9, 2010 issued by the clinic stated a "working impression of Hypertension, stage I, uncontrolled, Diabetes mellitus, type 2, uncontrolled.[8] After a series of examinations and consultations,[9] the company-designated clinic, through its Medical Coordinator (Susannah Ong-Salvador, MD, FPDS), issued a Final Medical Progress Report dated August 24, 2010[10] that states, among others:

FINAL MEDICAL PROGRESS REPORT

x x x working impression of Hypertension, stage I, controlled, Diabetes mellitus, and type 2 controlled.
x x x with no subjective complaint.

PHYSICAL EXAMINATIONS:
General: Conscious, coherent, cooperative, no cardio-pulmonary distress
BP=120/80 mmHg, PR=80 bpm, RR=16 cpm, Temp= 36.5 C
Skin: Warm moist skin, no active dermatoses seen
Eyes: Pink palpebral conjunctivae, anicteric sclerae
Neck: Supple neck, no palpable cervical lymph nodes
Lungs: Clear breathe [sic] sounds, no rales, no wheezes
Chest: Adynamic precordium, regular rhythm/rate, no murmurs
Abdomen: Flabby, soft, non-tender, with normo-active bowel sounds
Extremities: No gross deformities, pulses full and equal

---

4 Id. at 107.
5 Id.
6 Id. at 108.
7 Id.
8 Id.
9 Id. at 108-114.
10 Id. at 113-114.

LABORATORY EXAMINATIONS:

CBC; segmenters: 0.43 (0.55-0.65) lymphocytes: 0.56 (0.25-0.35)
Urinalysis: normal
FBS: 115.22 High
HBAIC: 7.11 (high)

Our Cardiologist has re-assessed our patient and opines that patient has hypertension but is controlled by medications. Patient has no significant coronary artery disease at the moment. Hence he may resume employment form [sic] Cardiologist standpoint.

Our Endocrinologist has also re-evaluated our patient and noted that despite of good compliance to his medication blood sugar remains to be slightly elevated. Glycosylated hemoglobin which shows patient's compliance to hypoglycemic medications the past 3-4 months hence sudden normalization is [ ] not expected as long as patient is asymptomatic and not far from its normal range hence he is fit to work from Endocrinologist standpoint provided strict compliance with diet and medications as well as monitoring of his blood sugar levels is done regularly. After extensive evaluation, the specialists opine he is now fit to resume sea duties.

FINAL DIAGNOSIS: Hypertension stage 1 controlled; Diabetes mellitus type 2 controlled.[11]

On the same date, respondent signed a Certificate of Fitness for Work. Petitioners paid all of respondent's medical expenses and sickness allowances during his treatment and consultations with the company-designated physicians.[12]

Records show that on July 27, 2010, while still under the care of and treatment with the company-designated physicians, respondent consulted another physician, Dr. Donald S. Camero (Dr. Camero).[13] On September 29, 2010, Dr. Camero issued a medical certificate,[14] with the following findings:

Diagnosis:
Hypertension Stage II
Diabetes Mellitus

Due to his condition I advised him for continuous medical check-up and lifetime medications.

Patient is permanently unfit for sea-duties in any capacity and entitled under P.O.E.A. Disability Grade 7-Moderate Residuals of Disorders of the Intra-abdominal Organ, but due to the severity of injury/illness he is entitled for Disability Grade 1 for severe residuals of impairment of intra-abdominal

---

11 Id.
12 Id. at 114.
13 Id.
14 Id. at 115.

> organs which requires regular aid and attendance that will unable worker to seek any gainful employment.
>
> Such injury/illness are work related since exposed to toxic and hazardous materials.
>
> x x x x[15]

On November 4, 2010, respondent consulted another physician, Dr. Eduardo Yu (Dr. Yu) of Mary Chiles General Hospital, who issued another medical certification[16] dated February 18, 2011 that reads:

> This is to certify that I have seen and examined Mr. Manuel Cunanan, 46 yrs. old, male, married with chief complaint of dizziness and easy fatigability due to Hypertension Stage II, and Diabetes Mellitus Type 2.
>
> With his present condition he is permanently unfit for sea duties in any capacity and entitled for Disability Grade 1 for severe residuals of impairment on intra-abdominal organs which requires regular aid and attendance that will unable worker to seek any gainful employment.
>
> Due to his condition I advised him for continuous medical check-up and lifetime medications.
>
> Such injury or illnesses are work related since exposed to toxic and hazardous materials and his [sic] risky.[17]

Meanwhile, on October 12, 2010, Norwegian Cruise issued a letter to respondent, advising him that he can no longer be offered re-employment.[18]

As a result, respondent filed before the National Labor Relations Commission (NLRC) a complaint for disability compensation, damages, and attorney's fees against petitioners.[19]

The gist of respondent's contentions before the Labor Arbiter (LA) was that he sustained his illnesses from an accident that occurred while he was working on board petitioner's vessel. To be exact, respondent alleged that sometime in the morning of February 16, 2010, while lifting heavy wooden pallets, he accidentally stepped on wet flooring causing him to slide, his chest and abdomen hitting a metal railing. He soon experienced episodic chest and abdominal pains radiating down to his right lower extremity as electric shock. He continued his work and was referred to the ship's doctor who found

---

15 Id.
16 Id.
17 Id.
18 Id. at 129.
19 Id. at 107.

respondent to be suffering from elevated blood sugar. According to respondent, his chest and abdominal pains were accompanied by fever and chills. Despite medications, the pains persisted. After several examinations, respondent was finally diagnosed with hypertension and diabetes mellitus and was ultimately medically repatriated to the Philippines.[20]

Asserting his entitlement to disability compensation, respondent argued that his illnesses were triggered by the nature of his work and the accident that he had while working on board petitioner's vessel. His working conditions aggravated his illnesses because he ordinarily smelled and inhaled hazardous fumes and materials. This and the fact that he was unable to perform his customary job for more than 120 days only show that he is now suffering from permanent and total disability. Hence, he is entitled to compensation in the amount of US$80,000.00 as provided for in the parties' collective bargaining agreement.[21]

Petitioners countered that respondent's illnesses are not work-related. Under the Philippine Overseas Employment Administration (POEA) - Standard Employment Contract (SEC), hypertension, to be considered as an occupational disease, must be essential or primary (*i.e.*, causes impairment of function of body organs like kidneys, heart, eyes, and brain, resulting in permanent disability) and substantiated by the following documents: (1) chest x-ray report; (2) electrocardiogram (ECG) report; (3) blood chemistry report; (4) funduscopy report; and (5) C-T scan. As regards diabetes mellitus, petitioners pointed out that it is not among the listed occupational diseases in the POEA-SEC. In fact, averred further by petitioners, diabetes mellitus has been declared by this Court as non-work related. Even assuming that respondent's illnesses are work-related, still, he is not entitled to total and permanent disability benefits because he was declared fit for work by the company-designated physician. Respondent cannot be considered totally and permanently disabled just because he was not rehired by petitioners. Well-settled is the doctrine that seafarers are contractual employees.[22]

On July 8, 2011, the LA Renaldo O. Hernandez rendered a Decision,[23] dismissing respondent's complaint for lack of merit.

On appeal, the NLRC reversed[24] the LA Decision, *viz.*:

---

20 Id. at 115-116.
21 Id. at 116-117.
22 Id. at 117-119.
23 Id. at 107-121.
24 Id. at 126-141; dated May 10, 2012 of the NLRC Fourth Division, penned by Commissioner Numeriano D. Villena and concurred in by Presiding Commissioner Herminio V. Suelo and Commissioner Angelo Ang Palaña.

> WHEREFORE, the appealed decision dated July 8, 2011 is REVERSED and SET ASIDE. Respondents are held jointly and severally liable to pay complainant the following:
>
> 1. permanent total disability benefits of US$60,000.00 at its peso equivalent at the time of actual payment; and
>
> 2. attorney's fees of ten percent (10%) of the total monetary award at its peso equivalent at the time of actual payment.
>
> SO ORDERED.[25]

Petitioners moved for reconsideration, but to no avail.[26]

Petitioners elevated the case before the CA *via* a petition for *certiorari* under Rule 65 of the Rules of Court. On November 23, 2012, the CA issued the first assailed Resolution,[27] dismissing the petition for procedural infirmities, *i.e.,* want of Board Resolution showing authority of Aurita D. Milanco to sign the verification and certification on non-forum shopping in behalf of petitioners, failure to attach a duplicate original or certified true copy of the assailed NLRC Decision and Resolution, and want of proper proof of service of a copy of the petition on the NLRC and the adverse party.[28]

Petitioners attempted to rectify the defect of the petition through a motion for reconsideration, which the CA denied through the second assailed Resolution. The CA noted that while petitioners endeavored to comply with the formal requirements of the petition, nonetheless, petitioners still failed to attach certified true copies of the subject NLRC Decision and Resolution.[29]

Now before this Court *via* the instant petition under Rule 45, petitioners raise the following issues for resolution:

> **I.**
>
> **WHETHER THE NLRC DECISION AND RESOLUTION BEARING THE STAMP WHICH STATES "CERTIFIED PHOTOCOPY" IS SUBSTANTIAL COMPLIANCE IN ACCORDANCE WITH THE RULES OF COURT.**
>
> **II.**
>
> **WHETHER THE DISPUTABLE PRESUMPTION OF WORK-RELATION DISPENSES THE POSITIVE DUTY**

---

25 Id. at 140.
26 Id. at 143-146; dated June 15, 2012.
27 Id. at 13-19.
28 Id. a 14-18.
29 Id. at 21.

OF THE CLAIMANT TO PROVE HIS CLAIM BY SUBSTANTIAL EVIDENCE.

III.
WHETHER TOTAL AND PERMANENT DISABILITY IS DETERMINED BY THE MERE LAPSE OF 120 DAYS.

IV.
WHETHER ATTORNEY'S FEES ARE JUSTIFIED MERELY BECAUSE RESPONDENT WAS FORCED TO LITIGATE.[30]

Petitioners' arguments

Petitioners assert that they have substantially complied with the formal requirements of a petition for *certiorari*. The copies of the NLRC Decision and Resolution attach to their CA petition bore the stamp "certified photocopy." Citing *Coca-Cola Bottlers Phils., Inc., etc. v. Cabalo, et al.*,[31] petitioners argue that a "certified xerox copy" is no different from a "certified true copy" of the original document. The operative word is "certified," which means "made certain." Thus, as long as the copy of the assailed judgment, order, resolution or ruling submitted to the court has been certified by the proper officer of the court, tribunal, agency or office involved or his duly authorized representative and that the same is a faithful reproduction thereof, then the requirement of the law has been complied with. The CA therefore should have set aside the rigid application of procedural rules so that justice may be obtained.[32]

Anent the substantive issues of the case, petitioners are firm in their stance that respondent is not entitled to total and permanent disability benefits. Respondent's hypertension is not an occupational disease because it is not essential hypertension, as defined under the POEA-SEC. Neither is diabetes mellitus, which is a familial or genetic illness. Petitioners argue that notwithstanding the disputable presumption of work-relatedness of an illness, the claimant must still present substantial evidence to show causal connection between the nature of his employment and his illness, or that the risk of contracting the illness was increased by his working conditions. Respondent failed in this respect. Also, that 120 days had lapsed from respondent's initial treatment without a final finding from the company-designated physician hardly supports respondent's claim because said 120-day initial treatment period may be extended up to a maximum of 240 days, as what happened in respondent's case. More importantly, the company-designated physicians

---

30 Id. at 54.
31 516 Phil. 327 (2006).
32 *Rollo*, pp. 57-59.

already declared respondent as fit for work on August 24, 2010 or 184 days from his repatriation. Asserting that the detailed and comprehensive medical reports of the company-designated physicians should prevail over the unsubstantiated medical certificates of respondent's private doctors, petitioners ultimately pray that the Decision of the LA dismissing respondent's complaint be reinstated.[33]

Respondent's arguments

Respondent, on the other hand, maintains that his illnesses are work-related and compensable, on this score, respondent asserts that his "faulty diet" (*i.e.,* lard-laden, long dead meat immersed in harmful preservatives) at sea aggravated his diabetes mellitus. Respondent also insists that his hypertension is essential hypertension, which is an occupational disease. Hence, there is no need to show proof of causation. It is compensable. With respect to the degree of his disability, respondent asserts that his illnesses rendered him totally and permanently unfit to resume his work as a seafarer. The lack of real progress in his health under the treatment of the company-designated doctors constrained him to consult Dr. Camero and Dr. Yu, who both found him permanently unfit for sea duties and entitled to Disability Grade 1 compensation. Thus, respondent further argues, even if there was already a "fit to work" declaration from the company-designated physicians, such declaration should not be upheld by the Court. In fine, respondent contends that the CA did not err in dismissing petitioners' petition for *certiorari*.[34]

The Court's Ruling

The petition is impressed with merit.

The CA erred in dismissing the petition for certiorari solely on procedural grounds.

At the onset, the Court notes that the CA's refusal to take cognizance of the petition for *certiorari* was due solely on petitioners' failure to attach duplicate original or certified true copies of the challenged NLRC Decision and Resolution. After a careful study of the records, We find that the relaxation of the rules of procedure in this case, was the more prudent move to follow in the interest of substantial justice.[35]

---

33 Id. at 60-74.
34 Id. at 156-163.
35 See *PMI-Faculty and Employees Union v. PMI Colleges Bohol*, 788 Phil. 774, 783-784 (2016).

Rules of procedure are not inflexible tools designed to hinder or delay, but rather to facilitate and promote the administration of justice. Its strict and rigid application which would result in technicalities that tend to frustrate rather than promote substantial justice, must always be eschewed.[36] Indeed, **if the stringent application of the rules would hinder rather than service the demands of justice, the former must yield to the latter.**[37]

Here, had the CA examined the merits of petitioners' case, said court would have leaned on giving due course to the petition for *certiorari,* more so in view of the contradictory findings of the LA and the NLRC. In any event, petitioners have already attached "certified xerox copies" of the assailed NLRC Decision and Resolution to the petition before this Court.[38] Notably, respondent neither disputes nor denies the authenticity of such "certified xerox copies." In fact, respondent, in his comment, manifested that he is submitting the "question of technicality" to the discretion of the Court. While We could remand the case to the CA for a ruling on the substance of the petition, the Court is of the view that such remand will serve no purpose save to further delay its disposition contrary to the spirit of fair play.[39]

Accordingly, We shall proceed to rule on the merits of the case.

Respondent is not entitled to permanent and total disability benefits and attorney's fees.

As a rule, only questions of law may be raised and resolved by the Court in a Rule 45 petition. However, when the findings of the courts or tribunals below are conflicting or contradictory, as in this case, the Court may review the facts to arrive at a fair and complete resolution of the case.[40]

It is settled that entitlement to disability benefits by seamen on overseas work is a matter governed not only by medical findings but also by Philippine law and by the contract between the parties.[41]

The 2000 POEA-SEC,[42] which applies in the present case, defines a

---

36 Id.
37 Id. at 784.
38 *Rollo*, pp. 125-141 and 125-146; Annexes "G" and "H."
39 See *Yap, Sr. et al. v. Siao, et al.*, 786 Phil. 257, 271 (2016).
40 *Rickmers Marine Agency Phils., Inc., et al. v. San Jose,* 836 Phil. 641, 648 (2018).
41 *Marlow Navigation Phils., Inc., et al. v. Quijano,* G.R. No. 234346, August 14, 2019.
42 POEA Memorandum Circular No. 9, series of 2000, RE: Amended Standard Terms and Conditions Governing the Employment of Filipino Seafarers on Board Ocean-Going Vessels; later amended by POEA Memorandum Circular No. 10, series of 2010, re: Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-Board Ocean-Going Ships.

work-related illness as "any sickness resulting to disability or death as a result of an occupational disease listed under Section 32-A of this Contract with the conditions set therein satisfied."[43] On the other hand, illnesses not listed in Section 32 of the POEA-SEC are disputably presumed as work related.[44]

It must be stressed that while the law disputably presumes an illness to be work-related, nevertheless, there is no similar presumption of compensability accorded to a seafarer.[45] The disputable presumption that a seafarer's sickness is work-related does not mean that he would only sit idly while waiting for the employer to dispute the presumption.[46] On due process grounds, the claimant-seafarer must still prove by substantial evidence that his work conditions caused or, at least, increased the risk of contracting the disease. This is because awards of compensation cannot rest entirely on bare assertions and presumptions.[47] For compensability, only a reasonable proof of work connection, not direct causal relation is required.[48]

Respondent in this case was diagnosed with hypertension (Stage 1) and Type 2 diabetes mellitus, both controlled.[49]

Under the 2000 POEA-SEC, hypertension is considered an occupational disease if it is classified as primary or essential and causes impairment of function of body organs like kidneys, heart, eyes, and brain, resulting in permanent disability.[50] The POEA-SEC's treatment of essential hypertension recognizes its gradations. To enable compensation, the mere occurrence of hypertension, even as it is work-related and concurs with the four basic requisites of the first paragraph of Section 32-A,[51] does not suffice. The POEA-SEC requires an element of gravity.[52] Thus, under Section 32-A, paragraph 2(20),[53] three successive occurrences must be present: first, the

---

43 Id. at No. 12 under Definition of Terms.

44 Id. at Section 20(B)(4).

45 *Philippine Transmarine Carriers, Inc., et al. v. Bernardo,* G.R. No. 220635, August 14, 2019.

46 Id.

47 *Skippers United Pacific, Inc., et al. v. Lagne*, G.R. No. 217036, August 20, 2018.

48 Id.; see also *Philippine Transmarine Carriers, Inc., et al. v. Bernardo,* supra.

49 *Rollo*, pp. 113-114.

50 Section 32-A, paragraph 2(20).

51 Section 32-A. OCCUPATIONAL DISEASES

For an occupational disease and the resulting disability or death to be compensable, all of the following conditions must be satisfied:

(1) The seafarer's work must involve the risks described herein;

(2) The disease was contracted as a result of the seafarer's exposure to the described risks;

(3) The disease was contracted within a period of exposure and under such other factors necessary to contract it;

(4) There was no notorious negligence on the part of the seafarer.

x x x x

52 *Manansala v. Marlow Navigation Phils., Inc., et al,* 817 Phil. 84, 106 (2017).

53 20. Essential Hypertension

Hypertension classified as primary or essential 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 report, (d) funduscopy report, and (e) C-T scan.

contracting of essential hypertension; second, organ impairment arising from essential hypertension; and third, permanent disability arising from that impairment.[54]

Verily, mere averment of essential hypertension and its incidents do not suffice. In addition to the substantive requirements of essential hypertension's being the cause of organ impairment leading to permanent disability, the POEA-SEC identifies documentary requirements that must accompany a claim under Section 32-A, paragraph 2(20): first, a chest x-ray report; second, an electrocardiogram ECG report; third, a blood chemistry report; fourth, a funduscopy report; and fifth, a C-T Scan.[55] **All these documentary requirements** must be submitted and satisfied; otherwise, a claim for benefits should not be entertained.[56]

Here, respondent insists that his hypertension is essential; thus, compensable. However, apart from his bare assertions, respondent adduced no documentary evidence to substantiate his claim of essential or primary hypertension. More importantly, there was no competent proof that respondent's hypertension had caused the impairment of any of his vital organs.

Diabetes, on the other hand, is not an occupational disease under Section 32-A of the POEA-SEC. In *C.F. Sharp Crew Management, Inc., et al. v. Santos*,[57] We held that "[d]iabetes mellitus is a metabolic and a familial disease to which one is predisposed by reason of heredity, obesity or old age. It does not indicate work-relatedness and by its nature, is more the result of poor lifestyle choices and health habits for which disability benefits are improper."[58]

Respondent's illnesses, not being among those considered as occupational diseases under the POEA-SEC, behooved him to present substantial evidence to show that his working conditions aboard petitioners' vessel caused or, at the very least, increased the risk of contracting said illnesses. Respondent failed in this respect.

Worth noting is respondent's changing theories on how his illnesses came about. First, he alleged before the LA that he suffered an accident while working on board the vessel that ultimately led to his medical repatriation. He further averred that his exposure to toxic and hazardous materials aggravated

---

54 *Manansala v. Marlow Navigation Phils., Inc., et al*, supra note 52 at 106.
55 Id. at 107.
56 Id.
57 G.R. No. 213731, August 1, 2018, 876 SCRA 87.
58 Id. at 104.

his injury/illness.[59] Second, in his comment filed with this Court, respondent deviated from his main theory and now asserts that his diabetes was caused by his faulty diet at sea, which consists of lard-laden, long dead meat immersed in preservatives.[60] Again, these allegations of respondent were not substantiated by competent evidence. Bare allegations do not suffice to discharge the required quantum of proof of compensability.[61]

To be sure, hypertension and diabetes "do not *ipso facto* warrant the award of permanent and total disability benefits to a seafarer. Notably, Sec. 32-A of the POEA-SEC recognizes that a seafarer can still be employed even if he has hypertension and/or diabetes provided that he shows compliance with the prescribed maintenance medications and doctor-recommended lifestyle changes."[62]

Indeed here, the company-designated physicians declared respondent as fit for work on August 24, 2010, or **184 days from his repatriation**. Respondent did not dispute said declaration — and even signed a Certificate of Fitness for Work on the same date[63] — despite the fact that he was already consulting Dr. Camero as early as July 27, 2010,[64] while he was **still** under treatment of the company-designated physicians.

Contrary to the NLRC's ruling, "[a] seafarer's inability to resume his work after the lapse of more than 120 days from the time he suffered an injury and/or illness is not a magic wand that automatically warrants the grant of total and permanent disability benefits in his favor."[65]

In *Atienza v. Orophil Shipping International Co., Inc., et al.*,[66] We expounded:

> x x x Under Article 198 (c) (1) of the Labor Code, as amended, in relation to Rule VII, Section 2 (b) and Rule X, Section 2 (a) of the Amended Rules on Employees' Compensation (AREC), the following disabilities shall be deemed as total and permanent:
>
> Art. 198.Permanent Total Disability. — x x x.
>
> [x x x x]
>
> (c) **The following disabilities shall be deemed total and**

---

59 *Rollo*, p. 117.
60 Id. at 157.
61 *Covita, etc. v. SSM Maritime Services, Inc., et al.*, 802 Phil. 598, 612 (2016).
62 *C.F. Sharp Crew Management, Inc., et al. v. Santos,* supra note 57 at 105.
63 *Rollo*, p. 114.
64 Id. at 114-115.
65 See *C.F. Sharp Crew Mgmt., Inc., et al. v. Castillo,* 809 Phil. 180, 203 (2017). Citation omitted.
66 815 Phil. 480 (2017).

permanent:

> **(1) Temporary total disability lasting continuously for more than one hundred twenty days, except as otherwise provided for in the Rules.**
>
> Rule VII
> Benefits
>
> Sec. 2. Disability — x x x.
>
> [x x x x]
>
> **(b) A disability is total and permanent if as a result of the injury or sickness the employee is unable to perform any gainful occupation for a continuous period exceeding 120 days, except as otherwise provided for in Rule X of these Rules.**
>
> Rule X
> Temporary Total Disability
>
> [x x x x]
>
> Sec. 2. *Period of entitlement* — (a) The income benefit shall be paid beginning on the first day of such disability. If caused by an injury or sickness it shall not be paid longer than 120 consecutive days except where such injury or sickness still requires medical attendance beyond 120 days but not to exceed 240 days from onset of disability in which case benefit for temporary total disability shall be paid. **However, the System may declare the total and permanent status at any time after 120 days of continuous temporary total disability as may be warranted by the degree of actual loss or impairment of physical or mental functions as determined by the System.** x x x

Based on the foregoing provisions, the seafarer is declared to be on ***temporary total disability*** during the 120-day period within which he is unable to work. However, a temporary total disability lasting continuously for more than 120 days, **except** as otherwise provided in the Rules, is considered as a ***total and permanent disability.*** This exception pertains to a situation when the sickness ***"still requires medical attendance beyond the 120 days but not to exceed 240 days,"*** in which case, the temporary total disability period is extended up to a maximum of 240 days.

It should be pointed out that these provisions are to be read hand in hand with the 2000 POEA-SEC, whose Section 20 [B] (3) reads:

> Upon sign-off from the vessel for medical treatment, the seafarer is entitled to sickness allowance equivalent to his basic wage until he is declared fit to work or the degree of permanent disability has been assessed by the company-designated physician but in no case shall this period exceed one hundred twenty (120) days.

In *Vergara v. Hammonia Maritime Services, Inc. x x x*,[67] the Court explained how the provisions of the Labor Code/AREC and the 2000

---

67 588 Phil. 895 (2008).

POEA-SEC harmoniously operate:

> As these provisions operate, the seafarer, upon sign-off from his vessel, must report to the company-designated physician within three (3) days from arrival for diagnosis and treatment. For the duration of the treatment but in no case to exceed 120 days, the seaman is on temporary total disability as he is totally unable to work. He receives his basic wage during this period until he is declared fit to work or his temporary disability is acknowledged by the company to be permanent, either partially or totally, as his condition is defined under the POEA Standard Employment Contract and by applicable Philippine laws. If the 120 days initial period is exceeded and no such declaration is made because the seafarer requires further medical attention, then the temporary total disability period may be extended up to a maximum of 240 days, subject to the right of the employer to declare within this period that a permanent partial or total disability already exists. The seaman may of course also be declared fit to work at any time such declaration is justified by his medical condition.[68] (Other citations omitted)

From the foregoing, the initial treatment period of 120 days may be extended to 240 days by the company-designated physician on justified grounds. Hence, mere inability to work for 120 days does not automatically entitle the seafarer to permanent and total disability benefits. Temporary total disability becomes permanent when so declared by the company-designated physician within the periods he/she is allowed to do so, or upon the expiration of the maximum 240-day medical treatment period without a declaration of either fitness to work or the existence of a permanent disability.[69]

Here, the Medical Progress Reports[70] issued by the company-designated physicians showed that the extension of respondent's initial 120-day treatment period was justified. Also, the Final Medical Progress Report,[71] declaring respondent fit to resume sea duties, was issued by the company doctors before the expiration of the maximum 240-day treatment period. Hence, the NLRC ruling of permanent and total disability has neither factual nor legal leg to stand on.

Respondent nevertheless argues that the findings of his personal doctors should prevail over the fit-for-work certification of the company-designated doctors inasmuch as he remains unfit for sea duties in any capacity as a consequence of his work-related illnesses.

---

68 *Atienza v. Orophil Shipping International Co., Inc., et al*, supra note 66 at 501-503.

69 *Anuat v. Pacific Ocean Manning, Inc., et al.*, 836 Phil. 618, (2018), citing *Gomez v. Crossworld Marine Services, Inc.*, 815 Phil. 401, 419 (2017).

70 *Rollo*, pp. 108-113.

71 Id. at 113-114.

Respondent's argument fails to persuade.

First, it is the company-designated physician who has been granted by the POEA-SEC the first opportunity to examine the seafarer and to thereafter issue a certification as to the seafarer's medical status.[72] Thus, settled is the rule that the determination of the fitness of a seafarer for sea duty is the province of the company-designated physician, subject to the periods prescribed by law.[73]

However, if the findings of the company-designated physician are clearly biased in favor of the employer (*i.e.,* there is no scientific relation between the diagnosis and the symptoms felt by the seafarer, or the final assessment of the company-designated physician is not supported by the medical records of the seafarer), then courts may give greater weight to the findings of the seafarer's personal physician.[74] Such bias in favor of the employer does not obtain in this case. Rather, the uncorroborated medical certificates issued by Dr. Camero and Dr. Yu pale into insignificance when compared with the series of medical tests, procedures and detailed progress reports of respondent while under the care of and treatment with the company physicians.

Second, respondent failed to comply with the procedure laid down under Section 20 (B) (3)[75] of the 2000 POEA-SEC with regard to the joint appointment by the parties of a third doctor whose decision shall be final and binding on them in case the seafarer's personal doctor disagrees with the company-designated physician's fit-to-work assessment.[76] **The Court has consistently ruled that in case of conflicting medical assessments, referral to a third doctor is mandatory; and that in the absence of a third doctor's opinion, it is the medical assessment of the company-designated physician**

---

72 *De Vera v. United Philippine Lines, Inc., et al.*, G.R. No. 223246, June 26, 2019.

73 Id.

74 *C.F. Sharp Crew Mgmt., Inc., et al. v. Castillo*, supra note 65 at 194.

75 Section 20-B. *Compensation and Benefits for Injury or Illness.*

The liabilities of the employer when the seafarer suffers work-related injury or illness during the term of his contract are as follows:

x x x x

3. Upon sign-off from the vessel for medical treatment, the seafarer is entitled to sickness allowance equivalent to his basic wage until he is declared fit to work or the degree of permanent disability has been assessed by the company-designated physician but in no case shall this period exceed one hundred twenty (120) days.

For this purpose, the seafarer shall submit himself to a post-employment medical examination by a company-designated physician within three working days upon his return except when he is physically incapacitated to do so, in which case, a written notice to the agency within the same period is deemed as compliance. Failure of the seafarer to comply with the mandatory reporting requirement shall result in his forfeiture of the right to claim the above benefits.

If a doctor appointed by the seafarer disagrees with the assessment, a third doctor may be agreed jointly between the Employer and the seafarer. The third doctor's decision shall be final and binding on both parties. *(Emphasis and underscoring supplied.)*

76 See *Silagan v. Southfield Agencies, Inc., et al.*, 793 Phil. 751, 761-762 (2016).

that should prevail.[77]

Simply put, the findings of the company-designated physician prevail in cases where the seafarer did not observe the third-doctor referral provision in the POEA-SEC.[78]

Third, that petitioners no longer rehired respondent after he was declared fit for work by the company-designated physicians hardly supports respondent's cause. Seafarers are considered contractual employees.[79] There was no showing that petitioners were obligated to renew respondent's contract as a matter of course. Neither was there any concrete proof that petitioners' non-rehiring of respondent was due to the latter's permanent and total incapacity to perform work as a seafarer.

In fine, while the Court adheres to the principle of liberality in favor of the seafarer in construing the POEA-SEC, when the evidence presented negates compensability, the claim for disability benefits must necessarily fail, as in this case.[80] Consequently, respondent's claim for attorney's fees must also fail.

Lest it be forgotten, the commitment of this Court to the cause of labor does not prevent Us from sustaining the employer when it is in the right. We should always be mindful that justice is in every case for the deserving, to be dispensed with in the light of established facts, the applicable law, and existing jurisprudence.[81]

WHEREFORE, the petition is **GRANTED.** The challenged Resolutions dated November 23, 2012 and November 18, 2013 of the Court of Appeals in CA-G.R. SP No. 126243 are **SET ASIDE**. The July 8, 2011 Decision of the Labor Arbiter dismissing respondent's complaint is hereby **REINSTATED.**

SO ORDERED.

SAMUEL H. GAERLAN
Associate Justice

---

77 *Abosta Shipmanagement Corporation, et al. v. Delos Reyes,* 833 Phil. 760, 769-770 (2018).
78 *C.F. Sharp Crew Mgmt., Inc., et al. v. Castillo,* supra note 65 at 194.
79 See *Manansala v. Marlow Navigation Phils., Inc., et al,* supra note 52 at 91.
80 *Silagan v. Southfield Agencies, Inc., et al.,* supra note 76 at 765.
81 *C.F. Sharp Crew Mgmt., Inc., et al. v. Castillo*, supra note 65 at 205.

WE CONCUR:

ESTELA M. PERLAS-BERNABE
Senior Associate Justice

RAMON PAUL L. HERNANDO
Associate Justice

HENRI JEAN PAUL B. INTING
Associate Justice

RICARDO R. ROSARIO
Associate Justice

ATTESTATION

I attest 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.

ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, 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.

ALEXANDER G. GESMUNDO
Chief Justice