



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

**JOEMAR BABIERA
BACABAC,**
Petitioner,

G.R. No. 228550

Present:

— versus —

GESMUNDO, *CJ.*, Chairperson
CAGUIOA,
LAZARO-JAVIER,
LOPEZ, M.,
LOPEZ, J.Y., *JJ*

**NYK-FIL
SHIPMANAGEMENT INC.
and NYK
SHIPMANAGEMENT PTE
LTD.,**
Respondents.

Promulgated: **JUL 28 2021**

x-----x

D E C I S I O N

M. LOPEZ, J.:

This Petition for Review on *Certiorari* under Rule 45 of the Rules of Court assails the Court of Appeals' (CA) Decision¹ dated April 27, 2016 in CA-G.R. SP No. 134377, which affirmed the dismissal of the seafarer's complaint for disability benefits and sickness allowance.

THE ANTECEDENTS

On November 25, 2011, NYK-FIL Shipmanagement Inc., a local manning agency acting for and in behalf of its principal NYK Shipmanagement Pte Ltd. (respondents), hired Joemar Babiera Bacabac (Joemar) as an oiler. On December 8, 2011, the respondents deployed Joemar on board the vessel MV IKI for a period of nine months. On March 11, 2012, Joemar felt dizzy and suffered abdominal pain while performing his duties inside the engine room. Joemar reported the matter to the Second Officer and was given medicines. Yet, the symptoms persisted and Joemar lost his appetite. When the vessel arrived at the port in Chile,

¹ *Rollo*, pp. 38-47, penned by CA Associate Justice Maria Elisa Sempio Diy, with the concurrence of Associate Justices Ramon M. Bato, Jr. and Manuel M. Barrios.

Joemar vomited blood and was brought to the nearest clinic. Thereafter, Joemar was transferred to *Clinica Sanatorio Aleman*. Thereat, it was found out that Joemar's kidneys were not functioning well. Thus, Joemar had dialysis thrice to restore his normal kidney function. Joemar also underwent surgery to remove stones in his bile duct. Joemar was confined for more than two months or from March 15, 2012 to May 19, 2012.

On May 21, 2012, Joemar was medically repatriated and was immediately brought to Manila Doctor's Hospital. The doctors performed *duodenostomy*, a surgical procedure to make an opening in Joemar's small intestine, followed by an endoscopy. On May 23, 2012, the company-designated physician diagnosed Joemar with *Severe Acute Cholangitis*, which is an inflammation in the bile duct and declared his medical condition not work-related. On June 19, 2012, Joemar was discharged from the hospital. The respondents shouldered all the treatment costs.

On September 24, 2012, Joemar filed against the respondents a complaint for total and permanent disability benefits, sickness allowance, reimbursement of medical and hospital expenses, as well as moral and exemplary damages, and attorney's fees before the labor arbiter. Joemar claimed that his health condition was not restored, and that he was not able to secure a gainful employment after his hospitalization. On the other hand, the respondents countered that Joemar's illness is not compensable as the company physician declared it not work-related. On April 15, 2013, the labor arbiter awarded Joemar full disability benefits and sickness allowance because his illness is presumed to be work-related,² thus:

WHEREFORE, premises considered, judgment is hereby rendered ordering NYK-Fil Shipmanagement, Inc., and/or NYK Shipmanagement PTE Ltd. to pay complainant Joemar B. Bacabac the amount of SIXTY TWO (sic) THOUSAND TWO HUNDRED FIFTY SIX US DOLLARS (US\$62,256.00) representing full disability benefits and sickness wages, plus ten percent thereof as and for attorney's fees.

All other claims are dismissed for lack of merit.

SO ORDERED.³

Dissatisfied, the respondents appealed to the National Labor Relations Commission (NLRC). On November 29, 2013, the NLRC reversed the arbiter's findings and dismissed Joemar's complaint for lack of merit. The NLRC noted that the company physician was categorical that Joemar's ailment was not related to his employment. Further, Joemar failed to establish the reasonable connection between his illness and nature of work,⁴ to wit:

WHEREFORE, respondent's appeal is GRANTED. The Decision of Labor Arbiter Jaime M. Reyno dated April 15, 2013 is REVERSED and

² Id. at 68-75

³ Id. at 75.

⁴ Id. at 53-64.

SET ASIDE, and a new one is entered dismissing the complaint for lack of merit.

SO ORDERED.

Unsuccessful at a reconsideration,⁵ Joemar elevated the case to the Court of Appeals (CA) through a Petition for *Certiorari* docketed as CA-G.R. SP No. 134377. On April 27, 2016, the CA affirmed the NLRC's judgment, *viz.*:

However, even if the fact is clear that petitioner contracted an illness during the effectivity of his contract of employment with private respondents, it does not necessarily mean that his illness was work-related. **Petitioner still has the burden to sufficiently show the causal connection between his illness and the work which he had been contracted for. This is so especially because petitioner's illness is not one of those occupational illnesses under Section 32-A of the POEA-SEC. xxx.**

xxxx

Petitioner failed to discharge such burden here. In our examination of the record, We find no sufficient evidence that supports the claim of petitioner that his illness was work-related. xxx.

Petitioner likewise failed to specify the nature of his work, the working conditions, the risks attendant to the nature of his work to which he was allegedly exposed, as well as how and to what degree the nature of his work caused or contributed to his alleged medical condition.

In the absence of substantial evidence, We cannot just presume that petitioner's job as an oiler caused his illness or that it aggravated any pre-existing condition he might have had.

Considering that petitioner's illness was not work-related, then petitioner is not entitled to permanent total disability benefits.

Besides, xxx, the company-designated physician had declared that petitioner "is not considered permanently unfit for sea duty." The findings of a company-designated physician that an employee, such as petitioner here, was fit to work should be given credence.

xxxx

WHEREFORE, the instant petition is DENIED.

SO ORDERED.⁶ (Emphases Supplied)

Joemar sought reconsideration but was denied. Hence, this petition.

Joemar insists that he is entitled to total and permanent disability benefits and sickness allowance since he contracted his illness during the effectivity of his employment contract and is presumed work-related.

⁵ Id. at 65-66.

⁶ Id. at 44-47.

THE RULING OF THE COURT

The petition is meritorious.

In resolving claims for disability benefits, it is imperative to integrate the POEA-Standard Employment Contract (POEA-SEC) with every agreement between a seafarer and his employer.⁷ Joemar's employment contract with the respondents was executed on November 25, 2011 and is covered by the 2010 Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-Board Ocean-Going Ships.⁸ In *Ventis Maritime Corporation v. Salenga*,⁹ the Court clarified that a seafarer's complaints for disability benefits arise from (1) injury or illness that manifests or is discovered **during** the term of the seafarer's contract, which is usually while the seafarer is on board the vessel or (2) illness that manifests or is discovered **after** the contract, which is usually after the seafarer has disembarked from the vessel. The Court then laid down the following set of rules:

xxx. Section 20 (A) applies only if the seafarer suffers from an illness or injury **during the term of his contract**, *i.e.*, while he is employed. Section 20 (A) of the POEA-SEC clearly states the parameters of its applicability:

SECTION 20. COMPENSATION AND BENEFITS. —

A. 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:

XXXX

4. Those illnesses not listed in Section 32 of this Contract are disputably presumed as work-related.

XXXX

The disputable presumption of work-relatedness provided in paragraph 4 above arises only if or when the seafarer suffers from an illness or injury during the term of the contract and the resulting disability is not listed in Section 32 of the POEA-SEC. That paragraph 4 above provides for a disputable presumption is because the injury or illness is suffered while working at the vessel. Thus, or stated differently, it is only when the illness or injury manifests itself during the voyage and the resulting disability is not listed in Section 32 of the POEA-SEC will the disputable presumption kick in. **This is a reasonable reading inasmuch as, at the time the illness or injury manifests itself, the seafarer is in the vessel, that is, under the direct supervision and control of the employer, through the ship captain.**

XXXX

⁷ *C.F. Sharp Crew Management, Inc. v. Legal Heirs of the late Godofredo Rapiso*, 780 Phil. 645, 665-666 (2016).

⁸ See POEA Memorandum Circular No. 10, Series of 2010, dated October 26, 2010.

⁹ G.R. No. 238578, June 8, 2020.

In instances where the illness manifests itself or is discovered after the term of the seafarer's contract, the illness may either be (1) an occupational illness listed under Section 32-A of the POEA-SEC, in which case, it is categorized as a work-related illness if it complies with the conditions stated in Section 32-A, or (2) an illness not listed as an occupational illness under Section 32-A but is reasonably linked to the work of the seafarer.

For the first type, the POEA-SEC has clearly defined a work-related illness as "any sickness as a result of an occupational disease listed under Section 32-A of this Contract with the conditions set therein satisfied." What this means is that to be entitled to disability benefits, a seafarer must show compliance with the conditions under Section 32-A, as follows:

1. The seafarer's work must involve the risks described therein;
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; and
4. There was no notorious negligence on the part of the seafarer.

As to the second type of illness — one that is not listed as an occupational disease in Section 32-A — xxx the seafarer may still claim provided that he suffered a disability occasioned by a disease contracted on account of or aggravated by working conditions. For this illness, "[i]t is sufficient that there is a reasonable linkage between the disease suffered by the employee and his work to lead a rational mind to conclude that his work may have contributed to the establishment or, at the very least, aggravation of any pre-existing condition he might have had." Operationalizing this, to prove this reasonable linkage, it is imperative that the seafarer must prove the requirements under Section 32-A: the risks involved in his work; his illness was contracted as a result of his exposure to the risks; the disease was contracted within a period of exposure and under such other factors necessary to contract it; and he was not notoriously negligent. (Emphases Supplied)

In this case, Joemar's employment contract is from December 8, 2011 to September 8, 2012 or for a period of nine months. On March 11, 2012, Joemar suffered pain and symptoms while he is on board the vessel. On May 21, 2012, Joemar was medically repatriated and was diagnosed with *Severe Acute Cholangitis* two days after disembarkation. Clearly, Joemar's illness manifested or was discovered during the term of his contract. Applying the rules in *Ventis* case, Joemar's medical condition is disputably presumed as work-related although not listed as an occupational disease. As such, it becomes incumbent upon the respondents to prove otherwise.¹⁰ Notably, the respondents relied on the company physician's opinion that Joemar's illness was not work-related. Yet, the Court finds that the company doctor's medical report is inadequate to overcome the

¹⁰ *Magsaysay Maritime Corp. v. Heirs of Buenaflor*, G.R. No. 227447, June 23, 2020.

presumption. It bears emphasis that the company physician's assessment must be complete and definite for the purpose of ascertaining the degree of the seafarer's disability benefits. The assessment must truly reflect the extent of the sickness or injuries of the seafarer and his or her capacity to resume work as such.¹¹

Here, the company doctor's report only indicated the diagnosis for *Severe Acute Cholangitis* – or the inflammation or swelling of the bile duct. *Cholangitis* is a type of liver disease. When the bile ducts get inflamed, bile can back up into the liver and this can lead to liver damage. *Acute Cholangitis* happens suddenly and can be caused by bacterial infection, gallstones, blockages, and tumor. There are also environmental causes like infections, smoking and exposure to chemicals.¹² Joemar's *Severe Acute Cholangitis* suggests that he did not respond well to the initial medical treatment and have organ dysfunction in at least one of the following organs/systems: cardiovascular, nervous system, respiratory system, renal system, and hepatic system.¹³ The Court, however, is at a loss on the cause, gravity, and extent of Joemar's ailment. The medical report did not contain any explanation how the company physician arrived at his conclusion that the illness is not work-related. There is no other document submitted to support such finding. Worse, the company doctor made such report only two days after Joemar was medically repatriated. More telling is Joemar's continued hospital confinement for one whole month after such declaration.

To reiterate, what the POEA-SEC requires is for the company physician to justify the assessment using the medical findings he had gathered during his treatment of the seafarer. A bare claim that the illness is not work-related, or that the seafarer is fit for sea duties is insufficient.¹⁴ The Court will not hesitate to strike down an incomplete, and doubtful medical report of the company physician and disregard the improvidently issued assessment.¹⁵ Considering that the company physician's medical evaluation of the seafarer fell short of the parameters provided by law and jurisprudence, Joemar is deemed totally and permanently disabled as of the date of the expiration of the 120-day period counted from his repatriation. There could no longer be any issue on whether his illness is work-related or not.¹⁶ Thus, Joemar properly filed his complaint for payment of permanent and total disability benefits against the respondents on September 24, 2012 or after the expiration of the 120-day period from his repatriation. Corollarily, Joemar has no obligation to secure the opinion of his own doctor. A seafarer's compliance with such procedure presupposes that the company physician came up with a valid assessment as to his fitness or unfitness to work before the expiration of the 120-day or 240-day periods. Absent a valid

¹¹ *Chan v. Magsaysay Maritime Corp.*, G.R. No. 239055, March 11, 2020.

¹² What is Cholangitis and How's it treated, published February 21, 2019, [healthline.com/health/cholangitis](https://www.healthline.com/health/cholangitis), last accessed: June 18, 2021.

¹³ Acute Cholangitis – an update, published February 15, 2018, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5823698/>, last accessed: June 18, 2021.

¹⁴ *Phil-Man Marine Agency, Inc. v. Dedace, Jr.*, 835 Phil. 536 (2018).

¹⁵ *Olidana v. Jebsens Maritime, Inc.*, 772 Phil. 234 (2015).

¹⁶ *Phil-Man Marine Agency, Inc. v. Dedace, Jr.*, supra.

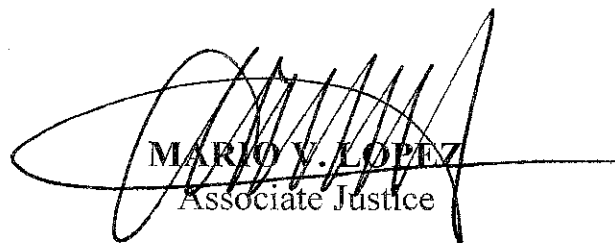
certification from the company physician, the seafarer had nothing to contest and the law steps in to conclusively consider his disability as total and permanent.¹⁷

Similarly, Joemar is entitled to sickness allowance. If the seafarer suffers from an illness or injury during the term of the contract, he or she shall also receive sickness allowance from his employer in an amount equivalent to his basic wage computed from the time he signed off until he is declared fit to work or the degree of disability has been assessed by the company-designated physician. The period within which the seafarer shall be entitled to his sickness allowance shall not exceed 120 days.¹⁸ Given that the company physician failed to give a valid medical assessment, the labor arbiter correctly awarded Joemar sickness allowance absent proof that this benefit has been paid. On the other hand, the arbiter properly denied the prayer for reimbursement of medical expenses and damages absent substantial evidence. As intimated earlier, the respondents shouldered all the treatment costs. Finally, the award of attorney's fees is warranted since Joemar was forced to litigate and incur expenses to protect his interests.¹⁹

In sum, the Court holds that the labor arbiter correctly granted Joemar US\$60,000.00 permanent total disability benefits, US\$2,256.00 sickness allowance, and attorney's fees equivalent to ten percent (10%) of the total monetary awards. The total award shall earn interest at the rate of six percent (6%) per annum computed from the date of finality of this decision until it is fully paid.²⁰

FOR THESE REASONS, the petition is **GRANTED**. The Court of Appeals' Decision dated April 27, 2016 in CA-G.R. SP No. 134377 is **REVERSED**. The Labor Arbiter's judgment dated April 15, 2013 is **REINSTATED** with **MODIFICATION** in that the total monetary award shall earn interest at the rate of six percent (6%) *per annum*, from the date of finality of this Decision **until fully paid**.

SO ORDERED.


MARIO V. LOPEZ
Associate Justice

¹⁷ *Kestrel Shipping Co., Inc. v. Munar*, 702 Phil. 717, 738 (2013).

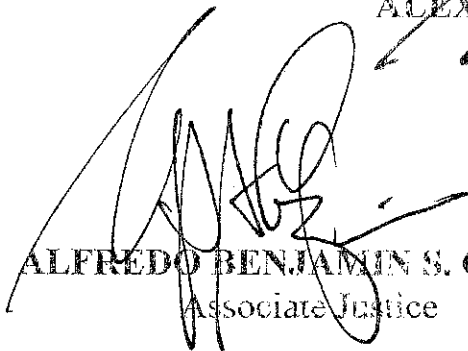
¹⁸ *Javier v. Philippine Transmarine Carriers, Inc.*, 738 Phil. 374 (2014).


¹⁹ *Phil-Man Marine Agency, Inc. v. Dedace, Jr.*, *supra*.

²⁰ *Dusol v. Lazo*, G.R. No. 200555, January 20, 2021; citing *Nacar v. Gallery Frames*, 716 Phil. 267 (2013).

WE CONCUR:


ALEXANDER G. GESMUNDO
Chief Justice

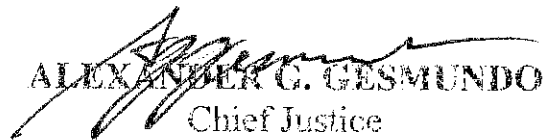

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice


AMY C. LAZARO-JAVIER
Associate Justice


JHOSEP LOPEZ
Associate Justice

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