Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

ARMANDO H. DE JESUS, *Petitioner,*	**G.R. No. 203478**
	Present:
- *versus* -	LEONEN, *J.*,* CAGUIOA,** HERNANDO, *Acting Chairperson,* INTING, and LOPEZ, J. Y., *JJ.*
INTER-ORIENT MARITIME ENTERPRISES, INC., INTER-ORIENT MARITIME ENT., INC. – LIBERIA, GRIGOROUSSA I MARINE S.A. –MONROVIA LIBERIA, *Respondents.****	Promulgated: **June 23, 2021** MisDcBatt

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D E C I S I O N

HERNANDO, *J.*:

Before this Court is a *Petition for Review on Certiorari*[1] filed by herein petitioner Armando H. De Jesus (De Jesus) assailing the November 23, 2010[2] and August 8, 2012[3] Resolutions of the Court of Appeals (CA) in CA-G.R. CEB-SP. No. 05114 which dismissed the *Petition for Certiorari*[4] of De Jesus due to several technical infirmities.

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* On Wellness Leave.

** Designated as additional member per raffle dated April 21, 2021 vice *J.* Delos Santos who recused due to prior action in the Court of Appeals.

*** The National Labor Relations Commission is dropped as party respondent pursuant to Section 4, Rule 45 of the Rules of Court.

1 *Rollo*, pp. 7-51.

2 Id. at 59-63; penned by Associate Justice Agnes Reyes-Carpio and concurred in by Associate Justices Edgardo L. Delos Santos (now a member of this Court) and Ruben C. Ayson.

3 Id. at 64-66; penned by Associate Justice Edgardo L. Delos Santos (now a member of this Court) and concurred in by Associate Justices Gabriel T. Ingles and Zenaida T. Galapate-Laguilles.

4 CA *rollo*, pp. 3-39.

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Factual Antecedents:

De Jesus exclusively worked as a seafarer on board the ocean-going vessels of Inter-Orient Maritime Enterprises Inc. (Inter-Orient) for 20 years prior to the present controversy. For every employment contract he has entered with Inter-Orient, De Jesus underwent the requisite pre-employment medical examination (PEME) and was consistently declared "fit for sea service."[5]

On July 4, 2005, De Jesus executed another employment contract[6] with Inter-Orient, on behalf of its principal, Inter-Orient Maritime Ent., Inc-Liberia –Grigoroussa I- Maritime S.A, as Second Mate on board M/T Grigoroussa I, for nine months.[7]

On his seventh month on board the vessel and while it was docked in the Mediterranean Sea off the coast of Egypt, De Jesus felt severe chest pains and had difficulty breathing. The master of the vessel then instructed that De Jesus be brought to the nearest hospital. On March 28, 2006 he was admitted at the Suez General Hospital in Egypt (United Doctors Hospital) where he was diagnosed with Acute Extensive Myocardial Infarction.[8]

On April 7, 2006, Dr. Edward Youssef of United Doctors Hospital cleared De Jesus to travel by plane back to the Philippines. However, he was declared unfit for physical work and was advised to immediately undergo a coronary angiography.[9]

Upon his arrival in the Philippines on April 12, 2006, De Jesus proceeded directly to the office of the respondent company. He inquired about his unpaid salaries and was told that he needed to sign a Quitclaim before his salaries could be released. Due to exhaustion and desperation brought about by his medical condition, he signed the Quitclaim without fully understanding its consequences.[10]

On the next day, April 13, 2006, De Jesus had himself examined by a specialist from YGEIA Medical Clinic upon the advice and referral of respondent company. It was confirmed that he had Myocardial Infarction and that he must undergo rehabilitation and continuous medication. No medical report was given to him. He then requested to have his treatment conducted in Cebu, his hometown, under the supervision of the company's accredited doctors. Inter-Orient agreed to the arrangement provided De Jesus sign a letter stating that he will hold the company free and harmless from any liability.[11]

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[5] *Rollo*, p. 12.
[6] Id. at 314.
[7] Id.
[8] Id. at 13
[9] Id. at 316.
[10] Id. at 13-14.
[11] Id. at 14-15.

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On April 18, 2006, representatives from Inter-Orient accompanied De Jesus to the National Labor Relations Commission in Quezon City to sign a number of Inter-Orient-prepared documents as pre-requisite for the processing and release of his bonuses and allowances. Among the documents which were executed by the parties were:

a) Computerized NLRC-NCR Complaint form[12] for non-payment of wages, overtime pay, vacation pay and sick leave pay docketed as NLRC NCR OFW Case No. 06-04-011699-00;

b) Quitclaim and Release submitted before the NLRC;[13]

c) Release of All Rights in Filipino and English versions;[14] and

d) A pro-forma Motion to Dismiss.[15]

De Jesus received the amount of Five Thousand Seven Hundred Forty-Nine Dollars (US$5,749.00) upon signing the documents.

Accordingly, Labor Arbiter Jovencio LI. Mayor, Jr. issued an Order dated April 19, 2006 dismissing with prejudice the complaint docketed as NLRC NCR OFW Case No. 06-04-011699-00.[16]

Hence, on April 26, 2006, De Jesus returned to Cebu and continued his treatment under the supervision of Dr. Marie Geraldine S.J. Lim of Cebu Doctor's University Hospital.[17] All expenses for his treatment were for his own account since respondent company informed him that he already received all that was due him[18].

On February 12, 2007, De Jesus filed before the NLRC Regional Arbitration Branch in Cebu a complaint docketed as NLRC RAB VII OFW Case No. 02-0014-2007 for disability benefits and sickness allowance under the POEA-Standard Employment Contract (POEA-SEC) and for moral and exemplary damages.[19]

Inter-Orient filed a Motion to Dismiss on grounds of *res judicata* in view of the previous dismissal of the similar complaint earlier filed by De Jesus against the respondent company. In addition, Inter-Orient pointed out that De Jesus had already executed a quitclaim and release in the prior case docketed

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[12] Id. at 86; docketed as NLRC NCR OFW Case No. 06-04-011699-00.
[13] Id. at 87.
[14] Id. at 88-95.
[15] Id. at 96.
[16] Id. at 97-98.
[17] Id. at 17.
[18] Id. at 80-84.
[19] Id. at 17.

as NCR OFW Case No. 06-04-011699-00.[20]

Ruling of the Labor Arbiter:

The Arbiter denied Inter-Orient's Motion to Dismiss on the ground that De Jesus signed the release and quitclaim without the aid of a counsel and the consideration contained therein was unconscionable. Moreover, he found as irregular the filing on the same day of the complaint and the Motion to Dismiss in NLRC NCR OFW Case No. 06-04-011699-00.[21]

The dispositive portion of the Order reads:

> *WHEREFORE*, the foregoing considered, the Motion To Dismiss is DENIED. This case is therefore, set for another conference on May 23, 2007 at 2:00 P.M.[22]
>
> SO ORDERED.[23]

Inter-Orient appealed the denial of its Motion to Dismiss with the NLRC but it was denied by the labor tribunal for being a prohibited pleading. The subsequent Motion for Reconsideration was likewise denied for the same reason.[24]

Hence, the parties were required to submit their position papers. De Jesus alleged that his illness, *i.e.* cardiovascular disease, which he acquired during his employment with respondent company, was compensable considering that it was listed as an occupational disease under Section 32-A of the POEA SEC.[25] Also, the Quitclaim was void since the consideration therein was unconscionable and it was signed without the assistance of counsel.

Moreover, the complaint, quitclaim, and the motion to dismiss were all executed on the same day, a clear departure from the usual process in labor complaints, and proof of the irregularity in the execution of the quitclaim. As such, the dismissal of NLRC NCR OFW Case No. 06-04-011699-00 should not be considered as bar to his subsequent claim of disability benefits from respondent company.[26]

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[20] Id. at 80-85.
[21] Id. at 99.
[22] Id.
[23] Id. at 99.
[24] Id. at 101-102; penned by Commissioner Oscar S. Uy and concurred in by Commissioners Violeta O. Bantug and Aurelio D. Menzon.
[25] Id at. 106.
[26] Id. at 112-133.

Meanwhile, Inter-Orient reiterated its arguments in the Motion to Dismiss that De Jesus' illness was not compensable because he failed to prove that it was work-related or work-aggravated. Furthermore, De Jesus executed a Quitclaim with full consent and comprehension, thus he cannot renege from its terms. Inter-Orient insisted that the amount of Five Thousand Seven Hundred Forty-Nine Dollars (US$5,749.00) can hardly be considered unconscionably low.[27]

In a Decision[28] dated February 25, 2009, the Labor Arbiter found in favor of De Jesus. The dispositive portion of the judgment reads:

> WHEREFORE, the foregoing premises considered, judgment is hereby rendered directing the Respondents to jointly and solidarily pay complainant the following:

Permanent Disability Benefits	US$60,000.00
Sickness Allowance	US$ 3,200.00
Less: Cash Advanced	US$ 5,749.00
	US$57,451.00
Add: 10% Attorney's Fee	US$ 5,745.10
Total	US$63,196.10

> SO ORDERED.[29]

The Labor Arbiter found De Jesus' Quitclaim to be invalid since the consideration was unconscionably low and was entered by De Jesus without the aid of counsel. There was unreasonable, irregular and apparent haste in the execution of the complaint, motion to dismiss and quitclaim all in one day. The arbiter found it unbelievable for De Jesus to have prepared the subject documents all in one day, particularly as they pertained to the release of all his rights. Moreover, the Affidavit of the Reader/Interpreter/Translator was not acknowledged before a Notary Public. Thus, the Quitclaim could not be considered as having validly extinguished all of De Jesus' claims.

The Arbiter also found that De Jesus' illness is compensable. Inasmuch as he suffered a heart attack while on board the vessel, the presumption is that it is work-related and the employer has the burden of proof to show otherwise.

The arbiter thus granted De Jesus permanent disability benefits, sickness allowance, and attorney's fees. The amount that he earlier received from respondents was treated as cash advance.

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[27] Id. at 147-159.
[28] Id. 201-209.
[29] Id. at 209.

Inter-Orient appealed the Decision of the arbiter to the NLRC.

Ruling of the National Labor Relations Commission:

The NLRC reversed and set aside the ruling of the Labor Arbiter and held that De Jesus' illness was not work-related. It accorded great weight to the Medical Report submitted by Inter-Orient.

The labor tribunal further declared that for his illness to be compensable, it was incumbent upon De Jesus to prove that it was work-related. Section 20 of the POEA SEC mandates that for the illness to be compensable, the employee must be able to prove that the illness was acquired during the period of his employment or that it was at least aggravated thereat or was work-related.[30] De Jesus failed to present substantial evidence to prove the foregoing.

The dipositive portion of the September 30, 2009 NLRC Decision reads:

> WHEREFORE, premises considered, the decision of the Labor Arbiter dated 25 February 2009 is REVERSED and SET ASIDE and a NEW ONE is entered DISMISSING the complaint.
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> SO ORDERED.[31]

Aggrieved, De Jesus filed a Motion for Reconsideration but it was denied by the NLRC.[32] He thus filed a Petition for *Certiorari*[33] before the appellate court assailing the reversal by the NLRC of the LA's ruling.

Ruling of the Court of Appeals:

The appellate court, in its November 23, 2010 Resolution[34] dismissed De Jesus' petition on the following grounds:

> 1) the petition does not show the date when petitioner received the copy of the assailed September 30, 2009 Decision, as well as when the motion for reconsideration was filed, in violation of Sec. 3, 2nd paragraph, Rule 46 of the Revised Rules of Court;
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> 2) petitioner failed to furnish the public respondent, NLRC, with a copy of the petition, in violation of Sec. 3, 3rd paragraph, Rule 46 of the Revised Rules of Court;

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30 Id. at 71-73
31 Id. 74.
32 Id. at 77-78.
33 CA *rollo*, pp. 3-39.
34 *Rollo*, pp. 59-62.

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3) the attached copy of the assailed Resolution is neither a duplicate original nor certified true copy of the same, in violation of Sec. 1, 2nd paragraph, Rule 65, in relation to Sec. 3, 3rd paragraph of Rule 46 of the Revised Rules of Court; and

4) the Verification and Certificate of Non-Forum Shopping does not bear the signature of petitioner, and its execution does not conform with the 2004 Notarial Rules.[35]

De Jesus filed a Motion for Reconsideration[36] citing inadvertence and submitted anew supporting documents. The Motion for Reconsideration was however denied by the appellate court in its August 8, 2012 Resolution.[37]

Thus, De Jesus filed this Petition for Review on *Certiorari* assailing the issuances of the CA. He raised the following -

Issues:

I.

The Court of Appeals erred when it dismissed outright petitioner's Petition for *Certiorari* and denied petitioner's Motion for Reconsideration based purely [on] procedural and technical grounds.

II.

The Court of Appeals erred when it failed to resolve the petitioner's Petition for *Certiorari* based on the merits thereof and reinstate the Decision of the Regional Arbitration Branch VII of Cebu dated February 25, 2009.[38]

Petitioner's Arguments:

Petitioner submits that the appellate court erred in dismissing outright his Petition for *Certiorari* based purely on procedural and technical grounds. At the same time, he attached copies of the following: Certification from Cebu Central Post Office of the proof service to the NLRC of the Petition for *Certiorari*;[39] signed Verification and Certificate of Forum Shopping dated June 4, 2010 notarized by Atty. Charter Antonio L. Tayurang;[40] copy of the Notarial Commission of Atty. Tayurang;[41] and Order dated December 11, 2009 granting Atty. Tayurang's notarial commission up to December 31,

[35] Id. at 64-66.
[36] Id. at 210-230.
[37] Id. at 64-66
[38] Id. at 21.
[39] Id at 320.
[40] Id. at 322.
[41] Id. at 323.

2011.[42]

Petitioner pleads that the case be resolved based on the merits.[43]

He prays for the reinstatement of the Labor Arbiter's ruling declaring his illness as work-related in accordance with the POEA SEC and existing jurisprudence. He argues that the NLRC erred in giving full credit to the biased Medical Report of the company-designated doctor. Moreover, it was the employer who has the burden to show that his illness was not related to his work. Lastly, in cases where the evidence of the parties are in conflict with each other, it is incumbent upon the court to resolve the case in favor of the employee.[44]

Respondents' Arguments:

Respondents, in their Comment,[45] maintain that the petition should be dismissed due to the formal infirmities contained therein. Bare invocation of interest of justice is not a ground to automatically suspend procedural rules. Petitioner clearly failed to timely rectify the defects and ignored the requirements. Moreover, respondents aver that the case is already barred by *res judicata* considering the prior quitclaim voluntarily executed by De Jesus in favor of the respondents.[46]

Our Ruling

Exceptions to Questions of Law:

The issues raised by petitioner are factual. It must be stressed that questions of fact are generally beyond the domain of a Petition for Review under Rule 45 of the Rules of Court as it is limited to reviewing only questions of law. This Court is not a trier of facts and does not normally reassess the credibility and probative weight of the evidence of the parties and the findings and conclusions of the Arbiter, the NLRC and the CA.

However, this rule admits of exceptions wherein this Court expands the coverage of a Petition for Review to include a resolution of questions of fact. One of those exceptions is when the lower court misapprehended facts or overlooked relevant facts which, if properly considered, would justify a different conclusion.[47] Such exception finds application in the instant case considering that the findings of facts and conclusion on relevant facts by the

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[42] Id. at 324.
[43] Id at 22-36.
[44] Id. at 37-55.
[45] Id. at 341-350.
[46] Id. at 341-349
[47] *Ico v. Systems Technology Institute, Inc.*, 738 Phil. 641 (2014).

NLRC differed from that of the Arbiter. This Court is thus compelled to take a second look at the facts of the case to arrive at the correct conclusion.

Substantial compliance to formal requisites allowed; procedural rules are mandatory but must not frustrate the administration of justice.

Heirs of Deleste v. Land Bank of the Philippines[48] declared that:

> Time and again, this Court has held that a strict and rigid application of technicalities must be avoided if it tends to frustrate rather than promote substantial justice. As held in *Sta. Ana v. Spouses Carpo*:
>
> > Rules of procedure are merely tools designed to facilitate the attainment of justice. If the application of the Rules would tend to frustrate rather than to promote justice, it is always within our power to suspend the rules or except a particular case from their operation. Law and jurisprudence grant to courts the prerogative to relax compliance with the procedural rules, even the most mandatory in character, mindful of the duty to reconcile the need to put an end to litigation speedily and the parties' right to an opportunity to be heard.
> >
> > Our recent ruling in *Tanenglian v. Lorenzo* is instructive:
> >
> > We have not been oblivious to or unmindful of the extraordinary situations that merit liberal application of the Rules, allowing us, depending on the circumstances, to set aside technical infirmities and give due course to the appeal. In cases where we dispense with the technicalities, we do not mean to undermine the force and effectivity of the periods set by law. In those rare cases where we did not stringently apply the procedural rules, there always existed a clear need to prevent the commission of a grave injustice. Our judicial system and the courts have always tried to maintain a healthy balance between the strict enforcement of procedural laws and the guarantee that every litigant be given the full opportunity for the just and proper disposition of his cause.[49] (Emphasis supplied, citations omitted)

In *Durban Apartments Corporation v. Catacutan,*[50] the appellate court dismissed the petition on procedural grounds for failure of the petitioner therein to attach a copy of the assailed decision but upon review by this Court, the case was decided on its merits. This Court held:

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[48] 666 Phil. 350 (2011).
[49] Id. at 371-372.
[50] 514 Phil. 187 (2005).

> [I]n the exercise of its equity jurisdiction, the Court may disregard procedural lapses so that a case may be resolved on its merits. Rules of procedure should promote, not defeat, substantial justice. Hence, the Court may opt to apply the Rules liberally to resolve substantial issues raised by the parties.
>
> It is well to remember that this Court, in not a few cases, has consistently held that cases shall be determined on the merits, after full opportunity to all parties for ventilation of their causes and defense, rather than on technicality or some procedural imperfections. In so doing, the ends of justice would be better served. The dismissal of cases purely on technical grounds is frowned upon and the rules of procedure ought not to be applied in a very rigid, technical sense, for they are adopted to help secure, not override, substantial justice, and thereby defeat their very ends. Indeed, rules of procedure are mere tools designed to expedite the resolution of cases and other matters pending in court. A strict and rigid application of the rules that would result in technicalities that tend to frustrate rather than promote justice must be avoided.[51] (Emphasis Ours; Citations omitted)

Following the above guidelines and upon Our review of the records, the outright dismissal of the case based on procedural defects alone was not proper.

Contrary to the findings of the appellate court, the petitioner attached a Certified True Copy (original stamped) of the NLRC Decision[52] and only the Resolution[53] denying his Motion for Reconsideration was a photocopy of the Certified True Copy of the issuance. The photocopied Resolution nonetheless bears the notation "Certified True Copy" as that found in the attached NLRC Decision. As to the alleged defect in the Affidavit of Service in the Petition for *Certiorari*, although petitioner failed to attach the registry receipt as proof of service to NLRC, he nonetheless indicated the registry receipt no. in the affidavit.

Moreover, a second perusal of the Motion for Reconsideration with Manifestation[54] filed by the petitioner before the appellate court would show that there was a genuine attempt to rectify the procedural infirmities in the petition. Petitioner subsequently submitted several supporting documents together with the motion, to *wit*: photocopy of the issuances of the NLRC with photocopy stamp of Certified True Copy;[55] original Affidavit of Service indicating the Registry Receipt No.,[56] Certification from Atty. Tayurang stating that the Verification and Certification of Non Forum Shopping was signed before him by the petitioner exhibiting his SSS ID and Seaman's Book,[57] copies of the identification card,[58] Notarial Commission of Atty.

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[51] Id. at

[52] CA *rollo*, pp. 42-50;

[53] Id. at 40-41.

[54] Id. at 192-200.

[55] Id. at 208-219

[56] Id. at 207

[57] Id. at 220-221.

[58] Id. at 222.

Tayurang including the Order granting his notarial commission; and Affidavit of Merit[59] fully explaining the reason for the formal infirmities. These, taken together, should be considered as substantial compliance, enough to support the reinstatement of the Petition for *Certiorari* filed by the petitioner.

In addition, petitioner submitted before Us additional supporting documents[60] that essentially satisfy the lacking requirements in the Petition for *Certiorari.*

At this point, however, this Court admonishes petitioner's counsel for failing to strictly comply with the formal requirements vital in the resolution of the Petition for *Certiorari.* We thus take this opportunity to remind counsel that in seeking a review or reversal of a judgment or order, the handling lawyer must fully and scrupulously comply with the requisites prescribed by law, with keen awareness that any error or imprecision in compliance therewith may well be fatal to his client's cause.[61]

Ultimately, this Court finds it proper to decide the case based on the merits and brush aside the technicalities considering the substantial compliance of the petitioner with the formal requirements set out by the rules.

Compensability of disability:

The employment of seafarers is governed by the terms and conditions of their employment contract, the law and the relevant regulations of the POEA SEC, which are deemed integrated into every employment contract, which employers are bound to observe as the minimum requirements for the employment of Filipino seafarers.[62]

In this particular case, the 2000 POEA SEC[63] issued pursuant to DOLE Department Order No. 4, and POEA Memorandum Circular No. 9, both series of 2000, apply, *viz.*:

> Sec. 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:
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> x x x x

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[59] Id. at 225-226.

[60] *Rollo*, pp. 320-324; Certification of Delivery of Registry No. 27290; Original of Verification and Certification of Non-Forum Shopping for the Petition for Certiorari filed before the CA; Notarial Commission documents of Atty. Tayurang.

[61] *Lebin v. Mirasol*, 672 Phil. 477, 488 (2011).

[62] *Heirs of Olorvida, Jr. v. BSM Crew Service Centre Philippines, Inc.*, G.R. No. 218330, June 27, 2018.

[63] POEA Memorandum Circular No. 9, Series of 2000, dated June 4, 2000.

> 2. If the injury or illness requires medical and/or dental treatment in a foreign port, the employer shall be liable for the full cost of such medical, serious dental, surgical and hospital treatment as well as board and lodging until the seafarer is declared fit to work or to be repatriated.
>
> However, if after repatriation; the seafarer still requires medical attention arising from said injury or illness, he shall be so provided at cost to the employer until such time he is declared fit or the degree of his disability has been established by the company-designated physician.
>
> 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.**
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> **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.**
>
> 6. In case of permanent total or partial disability of the seafarer caused by either injury or illness, the seafarer shall be compensated in accordance with the schedule of benefits enumerated in Section 32 of this Contract. Computation of his benefits arising from an illness or disease shall be governed by the rates and rules of compensation applicable at the time the illness or disease was contracted.

For a disability to be compensable under Section 20 (B) of the 2000 POEA SEC, it must be the result of a work-related injury or a work-related or work-aggravated illness. The POEA SEC defines a work-related injury as "injuries resulting in disability or death arising out of and in the course of employment.'[64] On the other hand, a work-related illness has been defined as "any sickness resulting in disability or death as a result of an occupational disease listed under Section 32-A of this contract with the conditions set therein satisfied."[65]

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[64] Definition of Terms 2000 POEA-SEC.

[65] *Phil-Man Marine Agency, Inc. v. Dedace, Jr.*, G.R. No. 199162, July 4, 2018.

Under the same rule, petitioner is obliged to 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 to comply with this mandatory reporting requirement shall result in forfeiture of the right to claim disability benefits. It is likewise provided that if a doctor appointed by the seafarer disagrees with the assessment, a third doctor may be agreed jointly between the employer and the seafarer whose decision shall be final and binding on both parties.[66]

In this case, petitioner submitted himself to a medical examination by the company-designated doctor a day after his arrival in Manila. In that examination, it was confirmed that he had Myocardial Infarction and must undergo rehabilitation and continuous medication. Petitioner then requested for his treatment to be continued in Cebu, his hometown under the supervision of Inter-Orient's accredited doctors.[67] Evidently, the Medical Report[68] issued by Dr. Donna Delia S. Urlanda (Dr. Urlanda) of YGEIA Medical Clinic declared petitioner's illness as not work-related. Although petitioner alleged that he did not receive a copy of the said report, the same was unsubstantiated by evidence. Indeed, he never questioned the findings of Dr. Urlanda and her recommendation. Thus, at that point, petitioner clearly forfeited his right to claim any disability benefit.

De Jesus only questioned the company doctor's integrity and the correctness of her findings when he filed the complaint against respondents before the Arbiter on February 12, 2007, or roughly 10 months after he was examined by the company-designated doctor. While petitioner allegedly consulted his personal doctors since April 26 2006, the Medical Certificate issued by Dr. Lim, his own doctor, stating that his illness was work-related, was only issued on December 5, 2008, or about 30 months after his examination by the company-designated physician.

This Court's ruling in *German Marine Agencies v. National Labor Relations Commission*[69] weighs heavily against petitioner's claim for disability benefits. We have consistently held that it is the company-designated physician who should determine the degree of disability of the seafarer or his fitness to work, thus:

> . . . In order to claim disability benefits under the Standard Employment Contract, it is the "company-designated" physician who must proclaim that the seaman suffered a permanent disability, whether total or partial, due to either injury or illness, during the term of the latter's employment.... It is a cardinal rule in the interpretation of contracts that if the terms of a contract are clear and leave no doubt upon the intention of the contracting parties, the literal meaning

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66 See Manila Shipmanagement & Manning, Inc. v. Aninang, G.R. No. 217135, January 31, 2018.
67 Id. at 14-15.
68 Id. at 163-164.
69 403 Phil. 572, 588 (2001).

> of its stipulation shall control. There is no ambiguity in the wording of the Standard Employment Contract — the only qualification prescribed for the physician entrusted with the task of assessing the seaman's disability is that he be "company-designated."[70]

The 2000 POEA SEC provides for the company-designated doctor to assess the illness of the seafarer or his fitness to return to sea duties. In the event the seafarer disagrees with the assessment of the company-designated physician, he ought to consult his doctor of choice. Here, instead of consulting his own physician, De Jesus executed a release and quitclaim in favor of respondents. In executing this document, petitioner thus impliedly admitted the correctness of the assessment of the company-designated physician, and acknowledged that he could no longer claim for disability benefits.

Requisites for validity and consequence of Quitclaims.

While quitclaims are frowned upon for being contrary to public policy, this Court has nevertheless recognized legitimate waivers that represent a voluntary and reasonable settlement of a worker's claim Where the waiver was voluntarily executed with a full understanding thereof, and the consideration for the quitclaim is credible and reasonable, the transaction must be recognized as a valid and binding undertaking.[71]

In the instant case, petitioner did not deny signing the documents relinquishing all his claims against the respondents. It is not disputed that he signed the "Quitclaim and Release"[72] submitted before the labor tribunal and was subscribed and sworn to before the Labor Arbiter. Tellingly, the relevant portion of which states:

> xxx **That for and in consideration of the sum of FIVE THOUSAND SEVEN HUNDRED FORTY NINE USDOLLARS & 00/100 CENTS ONLY (USD5, 749.00)** paid by INTERORIENT MARITIME ENT. INC., INTERORIENT MARITIME ENT. INC. – LIBERIA and GRIGOROUSSA I MARINE S.S. –MONROVIA, LIBERIA in settlement of my claims as financial assistance receipt of which is hereby acknowledged to my complete and full satisfaction, **I hereby release and discharge the above said agency and principals and its officer(s) from all claims by way of unpaid wages, separation pay, overtime pay, differential pay or otherwise as may be due me in connection with my past employment with said establishment and its office.**

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[70] Id. at 588-589.
[71] *Mendoza, Jr. v. San Miguel Foods, Inc,* 497 Phil. 945 (2005).
[72] *Rollo,* p. 87.

IN VIEW WHEREOF, I have hereunto set my hand this 18th day of April, 2006 in Quezon City, Philippines

(Sgd.) [Hand-Signed]
ARMANDO H. DE JESUS SR.
Complainant

Signed in the presence of:

(sgd) (sgd)

SUBSCRIBED AND SWORN TO before me this 18th day of April 2006 at Quezon City, Philippines.

(Sgd.)
JOVENCIO LI. MAYOR, JR (Hand-written)
Labor Arbiter[73]

Petitioner likewise signed another document "RELEASE OF ALL RIGHTS" and its Filipino version "PAGPAPAUBAYA NG LAHAT NG KARAPATAN."[74] The relevant portion of the document in Filipino states:

x x x x

BASAHING MABUTI – Sa pagpirma mo nito, isinusuko mo na LAHAT ng karapatan mo.

Ako, si ARMANDO H. DE JESUS SR., nasa hustong gulang xxx **kapalit ng halagang LIMANGDAAN (sic) LIBO PITONG DAAN APATNAPUT SIYAM NA DOLYAR 00/100 (USD5,749.00) na natanggap ko, ay buong pusong** *NAGPAPAUBAYA [handwritten]***(isulat ang salitang NAGPAPAUBAYA) at habang buhay na pinalalaya ang mga sumusunod:**

GRIGOROUSSA I MARINA S.A.-MONROVIA, LIBERIA
INTERORIENT MARITIME ENTERPRISES, INC

kasama na ang kanilang tagapagmana, tagapagpatupad, administrator, kahalili at itinalaga at kanilang mga barko, lalo na ang " M/T GRIGOROUSSA I ", at ang may-ari, ahente, nagpapatakbo, nagarkila, kapitan, opisyal, mga tripulante, "underwiter" at "P&I Club" ng mga naturang barko **sa lahat ng karapatan at paghahabol ko, maging ito ay nagmula sa "tort", kontrata, batas, o kahit anupamang basehan ng paghahabol, dahil sa pagkakasakit ni ARMANDO H. DE JESUS , na nangyari ng ganito:**

CORONARY ARTERY DISEASE S/P ANTEROSEPTAL MYCORDIAL INFRACTION; CHRONIC STABLE ANGINA
(Deskripsyon ng pagkakasakit ng seaman)

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[73] Id.
[74] Id. at 92-93.

xxx xxx xxx

Naiintindihan ko at pumapayag ako na ang pagbabayad ng may-ari ng "M/T GRIGOROUSSA I" at ng kanyang mga taga-halili sa ilalim ng Pagpapaubaya ng Lahat ng karapatan na ito ay hindi tanda ng kanikang pag-amin ng kasalanan o pananagutan sa pagkakasakit ni ARMANDO H. DE JESUS SR;

1. Alam ko na ang dokumentong ito ay higit pa sa resibo. ITO AY ISANG PAGPAPALAYA. ISINUSUKO KO NA LAHAT NG KARAPATAN KO.

2. <u>Alam ko na sa pagpirma ko ng dokumentong ito, tinatapos ko na lahat ng karapatan ko na nag-uugat sa pagkakasakit ni ARMANDO H. DE JESUS SR kasama na ang lahat ng maari kong maging karapatan sa hinaharap maging ito man ay base sa kontrata, "tort" o kahit ano pa man dahilan, kahit na ang naturang karapatan ay hindi nabangit sa dokumentong ito.</u>

3. Alam ko na ang pagbabayad sa akin ng perang nabanggit sa unang bahagi ng dokumentong ito ay hindi pag-amin ng sinuman (kasama na ang mayari ng barko at kanyang mga kahalili) ng kasalanan o pananagutan sa kin.

4. Pinipirmahan ko ang dokumentong ito dahil sa tatangapin kong pera na nagkakahalagang USD5,749.00. Hindi ako pinangangakuan nang anumang bagay.

5. Ako ay nasisiyahan na.[75]

x x x x

The voluntariness in the execution of the foregoing document is evident. Petitioner also appears to have fully understood the contents of the document he was signing, as the important provisions thereof had been relayed to him in Filipino and the questions requiring his own answer were included in the document. The document reflected thus:

ANG MGA SUMUSUNOD AY KAILANGANG SAGUTIN NG NAGHAHABOL SA KANYANG SARILING SULAT-KAMAY:

A. Binasa mo ba ang dokumentong ito mula sa umpisa hanggang sa hulihan? <u>*Opo*</u>

B. Alam mo ba kung ano ang dokumentong ito na iyong pinipirmahan? <u>*Opo*</u>

C. Ano itong dokumentong pinipirmahan mo? <u>*Pagpapaubaya ng Lahat ng Karapatan*</u>

D. Ginawa mo ba ang (5) limang pahayag na nakasulat sa itaas na may intensyong ang mga partidong pinalalaya ay aasa sa mga naturang pahayag bilang katotohanan? <u>*Opo.*</u>

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[75] Id.

7

E. Alam mo ba na sa pagpirma mo ng Pagpapaubaya ng lahat ng Karapatan na ito, tinatapos mo na ang lahat ng karapatan at paghahabol mo, maging ito man ay base sa kontrata, "tort" o kahit ano pa mang dahilan? *Opo.*

x x x x

Ika 18th ng Abril, 2006

(Sgd.)
DE JESUS, ARMANDO H. *(Hand-written with thumbprint)*
ITO AY PAGPAUBAYA

Tinulungan ni***

Mga Saksi:

(Sgd)
ROSARIO T. ESCALADA

(Sgd.)
JOVENCIO LI. MAYOR, JR. *(Handwritten)*
LABOR ARBITER

***kung meron abogado ang naghahabol[76]

Likewise, the amount of US$5,749.00 which he received in consideration of the quitclaim is credible and reasonable. As we held in *Periquet v. National Labor Relations Commission*:[77]

> Not all waivers and quitclaims are invalid as against public policy. If the agreement was voluntarily entered into and represents a reasonable settlement, it is binding on the parties and may not later be disowned simply because of a change of mind. **It is only where there is clear proof that the waiver was wangled from an unsuspecting or gullible person, or the terms of settlement are unconscionable on its face, that the law will step in to annul the questionable transaction. But where it is shown that the person making the waiver did so voluntarily, with full understanding of what he was doing, and the consideration for the quitclaim is credible and reasonable, the transaction must be recognized as a valid and binding undertaking. x x x**[78] [Emphasis Ours]

In sum, in order for a deed of release, waiver or quitclaim pertaining to an existing right to be valid, it must meet the following requirements: (1) that there was no fraud or deceit or coercion on the part of any of the parties; (2) that the consideration for the quitclaim is sufficient and reasonable; and (3)

[76] Id. 93.
[77] 264 Phil. 1115 (1990).
[78] Id. at 1122.

that the contract is not contrary to law, public order, public policy, morals or good customs, or prejudicial to a third person with a right recognized by law.[79]

At this point, petitioner was already aware of his medical condition when he signed the waiver as he was examined by the company-designated doctor. Moreover, there was no proof that respondents employed fraud, malice, force or duress to compel him to sign the quitclaim. "Lack of sleep and exhaustion", can hardly be accepted as grounds to invalidate the waiver considering that it was signed six days after his arrival. For sure, as a seasoned seafarer, petitioner properly considered his decision of giving up his rights before signing the quitclaim.

Furthermore, this Court is inclined to sustain the validity of the quitclaim considering that it was signed before the Labor Arbiter. Article 227 [233][80] of the Labor Code provides:

> **Art. 227. Compromise agreements.** Any compromise settlement, including those involving labor standard laws, voluntarily agreed upon by the parties **<u>with the assistance of the Bureau or the regional office of the Department of Labor, shall be final and binding upon the parties</u>**. The National Labor Relations Commission or any court, shall not assume jurisdiction over issues involved therein except in case of non-compliance thereof or if there is prima facie evidence that the settlement was obtained through fraud, misrepresentation, or coercion.

Hence, the Quitclaim being valid, it legally serves as a bar to the present claim of petitioner for disability benefits.

All told, this Court finds no merit in the supplication of the petitioner. He is not entitled to disability benefits for his failure to validly and timely question the findings of the company-designated physician declaring his disability not work-related or aggravated, and in view of the valid quitclaim which he himself executed relinquishing all his rights against the respondents.

WHEREFORE, the Petition for Review on *Certiorari* is hereby **PARTLY GRANTED**. The November 23, 2010 and August 8, 2012 Resolutions of the Court of Appeals in CA-G.R. CEB-SP. No. 05114 dismissing petitioner's Petition for *Certiorari* based solely on technical infirmities are hereby **SET ASIDE.** The September 30, 2009 Decision of the National Labor Relations Commission declaring petitioner's illness not work-related and dismissing the complaint for disability benefits is hereby **REINSTATED.**

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[79] See *Arlo Aluminum, Inc. v. Piñon, Jr.,* 813 Phil. 188 (2017).

[80] As renumbered.

SO ORDERED.

RAMON PAUL L. HERNANDO
Associate Justice
Acting Chairperson

WE CONCUR:

On Wellness Leave.
MARVIC M. V. F. LEONEN
Associate Justice

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

HENRI JEAN PAUL B. INTING
Associate Justice

JHOSEP Y. LOPEZ
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.

RAMON PAUL L. HERNANDO
Associate Justice
Acting Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting 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