



Republic of the Philippines  
Supreme Court  
Manila

THIRD DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Third Division, issued a Resolution dated November 4, 2020, which reads as follows:*

“G.R. No. 230087 (MANILA OCEAN CREW MANAGEMENT, INC., MISUGA KAIUN HOLLAND B.V., and MS. EMELITA A. MERCADO, *petitioners* v. ALBERTO UY, *respondent*.) — While this Court looks kindly on seafarers, any fraudulent misrepresentation on their part to conceal a pre-existing condition during the medical examination will bar their claim for disability benefits.

This is a Petition for Review assailing the Court of Appeals’ Decision<sup>1</sup> and Resolution,<sup>2</sup> which granted the petition for certiorari filed by Alberto Uy (Uy) and annulled the Decision and Resolution of the National Labor Relations Commission. The National Labor Relations Commission affirmed the Labor Arbiter’s dismissal of Uy’s claim for disability benefits.

Uy was hired as Chief Officer by Manila Ocean Crew Management (Manila Ocean Crew) on behalf of its principal, Misuga Kaiun Holland B.V. Before deployment, Uy underwent medical examination and was declared fit to work. He was also issued a Physical Examination Report and Certificate by the Republic of Marshall Island’s Office of the Maritime Administrator, where he was found “fit to work without any restrictions.”<sup>3</sup>

<sup>1</sup> *Rollo*, pp. 78–100. The December 16, 2016 Decision in case number CA-G.R. SP No. 141987 was penned by Associate Justice Magdangal M. De Leon (Chairperson) and concurred in by Associate Justices Victoria Isabel A. Parodes and Josep Y. Lopez of the Special Seventh Division, Court of Appeals, Manila.

<sup>2</sup> *Id.* at 102–103. The February 17, 2017 Resolution in case number CA-G.R. SP No. 141987 was penned by Associate Justice Magdangal M. De Leon (Chairperson) and concurred in by Associate Justices Zenaida T. Galapate-Laguilles and Josep Y. Lopez of the Special Former Special Seventh Division of the Court of Appeals, Manila.

<sup>3</sup> *Id.* at 79.

Uy's tasks included: (1) heading the deck department of the ship; (2) taking charge of both the cargo and the crew; and (3) acting as second in command on board the vessel.<sup>4</sup>

Sometime in the last week of July 2013, Uy experienced seizures, for which he consulted a doctor in Morocco. He complained of "general fatigue, sleepiness, dizziness, tremors in [his] hands and feet, stuttering[,] and illusion[s]."<sup>5</sup> After undergoing CT and MRI scans, he was found no longer fit to work, and his doctor recommended that he be medically repatriated.<sup>6</sup>

Upon arriving in the Philippines on August 6, 2013, Uy immediately reported to Manila Ocean Crew for post-employment medical examination. On September 5, 2013, the company-designated physician, Dr. Angel Luna, issued a Medical Certificate noting that there was still residual weakness of Uy's lower extremities and that he had high blood sugar. Uy was prescribed medicines.<sup>7</sup>

Uy alleged that despite his medication and therapy, his blood sugar remained high in the months following his repatriation. On December 12, 2013, or 128 days after repatriation, he was given a Grade 6 disability rating by the company physician, after being diagnosed with "Cerebrovascular Disease, Infarct with Left Hemiparesis; Hypertension; Diabetes Mellitus which the physician noted as pre-existing."<sup>8</sup>

Uy then decided to seek the opinion of an independent physician. He consulted Dr. Manuel K. Chua, who found that he had "[c]erebrovascular [a]ccident (Post CVA); [d]iabetes [m]ellitus, NIDDM, uncontrolled; [h]ypersyslipidemia; and [e]ssential [h]ypertension."<sup>9</sup> Dr. Chua stated that Uy's symptoms prevented him from working as a seafarer. He gave Uy a permanent disability rating and declared him unfit for duty in whatever capacity as a seafarer. Uy then filed a suit for total and permanent disability benefits against Manila Ocean Crew.<sup>10</sup>

Manila Ocean Crew argued that the suit should be dismissed. It averred that this was Uy's fourth claim on the same medical condition and that he had filed for disability benefits against his previous employers.

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<sup>4</sup> Id.

<sup>5</sup> Id. at 79-80.

<sup>6</sup> Id. at 80.

<sup>7</sup> Id. at 80 and 92.

<sup>8</sup> Id. at 80-81.

<sup>9</sup> Id. at 80.

<sup>10</sup> Id.

Moreover, it asserted that Uy never disclosed his pre-existing cardiovascular condition when he applied for the job.<sup>11</sup>

The Labor Arbiter ruled in favor of Manila Ocean Crew and dismissed the claim, holding that Uy's non-disclosure of his prior illness was critical to his claim. In effect, "he unilaterally divested [Manila Ocean Crew] the opportunity to decide whether or not they wanted to employ a seafarer who is already afflicted with Cerebrovascular Disease."<sup>12</sup>

Further, the Labor Arbiter found that the non-disclosure was a "fraudulent misrepresentation" prohibited under the Philippine Overseas Employment Administration's Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-Board Ocean-Going Ships (Standard Employment Contract).<sup>13</sup>

On appeal, the National Labor Relations Commission affirmed the Labor Arbiter's ruling. Uy moved for reconsideration, but this was denied.<sup>14</sup>

Undeterred, Uy filed a petition for certiorari before the Court of Appeals which granted his petition, and annulled the National Labor Relations Commission's Decision and Resolution.

The Court of Appeals disagreed with the National Labor Relations Commission and the Labor Arbiter's findings that the illness was pre-existing and concealed by Uy. It ruled that the illness was work-related due to the combined manual tedious labor and sleepless nights that Uy endured after "[learning] that 70% of the crew [were] being repatriated and that they [would be passing] through African waters" where they had to watch out for pirates.<sup>15</sup> The Court of Appeals concluded that the work Uy performed and the uncertainties of his employment may have contributed to the establishment of or, "at the very least, aggravation of any pre-existing condition he might have had."<sup>16</sup>

Moreover, the Grade 6 disability rating given by Manila Ocean Crew's physician and its act of shouldering Uy's medical expenses were deemed an admission that the illness was work-related.<sup>17</sup>

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<sup>11</sup> Id. at 81.

<sup>12</sup> Id. at 83.

<sup>13</sup> Id.

<sup>14</sup> Id.

<sup>15</sup> Id. at 88.

<sup>16</sup> Id.

<sup>17</sup> Id.

The Court of Appeals also found that Uy's disability was considered permanent, since the company-designated physician issued the medical report beyond the 120-day period prescribed by the law and its rules.<sup>18</sup>

As to Uy's alleged concealment of his pre-existing condition, the Court of Appeals did not agree that it was sufficient to deny his claim. Manila Ocean Crew had all the chance to verify the information that Uy provided in his application form and biodata. It had the opportunity "to pre-qualify, thoroughly screen and choose their applicants to determine if they are medically, psychologically[,] and mentally fit for employment."<sup>19</sup>

The dispositive portion of the Court of Appeals Decision read:

**WHEREFORE**, the instant petition is **GRANTED**. The *Decision* dated May 29, 2015 and *Resolution* dated June 29, 2015 of the National Labor Relations Commission in *NLRC NCR Case OPW (M) 02-01560-14* are **ANNULLED** and **SET ASIDE**.

Private respondents Manila Ocean Crew Management, Inc. and Misuga Kaiun Holland B.V. are hereby held jointly and severally liable to petitioner Alberto C. Uy for the amounts of (a) US\$60,000.00 as total and permanent disability allowance at its peso equivalent at the time of actual payment and (b) attorney's fees of ten percent (10%) of the total monetary award at its peso equivalent at the time of actual payment.

**SO ORDERED.**<sup>20</sup> (Emphasis in the original)

Manila Ocean Crew moved for reconsideration, but its motion was denied by the Court of Appeals in its Resolution.<sup>21</sup>

Petitioners Manila Ocean Crew and its principal now file this Petition for Review, seeking the reversal of the Court of Appeals' Decision and Resolution. They assert that the Court of Appeals erred in awarding total and permanent disability benefits to respondent Uy because he concealed his pre-existing illness which, according to petitioners, bars respondent's claim for disability benefits.<sup>22</sup> They cite Section 20 of the Standard Employment Contract, which disqualifies seafarers from claiming disability benefits if they conceal a pre-existing illness.<sup>23</sup>

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<sup>18</sup> Id. at 95.

<sup>19</sup> Id. at 96.

<sup>20</sup> Id. at 99.

<sup>21</sup> Id. at 102-103.

<sup>22</sup> Id. at 58-59.

<sup>23</sup> Id. at 59. [A]n illness shall be considered as pre-existing if prior to the processing of the POEA contract, any of the following conditions are present:  
a. The advice of a medical doctor on treatment was given for such continuing illness or condition; or  
b. The seafarer had been diagnosed and has knowledge of such an illness or condition but failed to disclose the same during pre-employment medical examination (PEME), and such cannot be diagnosed

Petitioners claim that in all the documents that respondent submitted such as his Biodata, Application Form, and Past Medical History Questionnaire, he intentionally failed to indicate that he had been previously repatriated for cerebrovascular disease with left hemiparesis. While he listed all his other illnesses, even his childhood asthma attack, he did not disclose the cause of his previous medical repatriation. To petitioners, this shows respondent's deliberate intent to conceal a pre-existing illness.<sup>24</sup>

Petitioners submit the records of three previous complaints that respondent had filed against his previous employers, which allegedly "extort disability compensation for the same illness."<sup>25</sup> They claim that since Uy was redeployed under different contracts, he was not totally and permanently disabled.<sup>26</sup>

Citing *Philman Marine Agency, Inc. v. Cabanban*,<sup>27</sup> petitioners argue that concealment of a pre-existing illness disqualifies a seafarer from disability benefits.<sup>28</sup>

Petitioners also insist that since respondent was previously diagnosed with cerebrovascular disease with left hemiparesis, he did not acquire this illness during the period of his employment with Manila Ocean Crew and its principal. Hence, the complaint for disability benefits should be dismissed.<sup>29</sup>

Finally, petitioners fault the Court of Appeals for awarding attorney's fees, considering that petitioner never acted out of malice against respondent.<sup>30</sup>

In his Comment, respondent quotes the Court of Appeals' findings, saying that his employment aggravated whatever pre-existing condition he might have had, making his illness work-related and compensable.<sup>31</sup> Moreover, respondent maintains that his permanent disability is presumed because of petitioners' inability to act on his case within the 120-day period prescribed by law.<sup>32</sup>

In trying to evade the consequences of concealing his pre-existing condition, respondent also quotes the Court of Appeals, claiming that

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during the PEME. (Philippine Overseas Employment Administration Memorandum Circular No. 10 (2010), Definition of Terms, par. 11.)

<sup>24</sup> *Rollo*, p. 60.

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> 715 Phil. 454 (2013) [Per J. Brion, Second Division].

<sup>28</sup> *Rollo*, pp. 60-62.

<sup>29</sup> *Id.* at 62-63.

<sup>30</sup> *Id.* at 63.

<sup>31</sup> *Id.* at 131.

<sup>32</sup> *Id.* at 134-135.

petitioners had all the opportunity to verify the data that he provided in his documents before finally deciding to hire him as a seafarer:

[Petitioners] should not have waited for [respondent] to file the present complaint before they started verifying his actual medical condition and the reasons for his disembarkation from the previous employers. While the PEMF is not exploratory in nature, the same did not divest private respondents of their right to further investigate from petitioner's previous employers.<sup>33</sup>

Invoking the constitutional protection accorded to labor, respondent argues that doubts or controversies that may reasonably arise from the evidence or in the interpretation of agreements should be resolved in his favor.<sup>34</sup>

For resolution in this case whether or not respondent is entitled to disability benefits. To answer this, it is crucial determine the effect of respondent's concealment of his pre-existing condition.

An illness or injury suffered by a seafarer is compensable when the conditions listed in Section 32-A of the Standard Employment Contract are met. These are:

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.

Thus, to be compensated, the seafarer's illness or injury must be shown to be work-related—that is, there must be a “reasonable linkage between the disease suffered by the employee and his [or her] work.”<sup>35</sup> While pre-existing illnesses, by definition, are not contracted due to an employee's exposure to the risks of his or her current employment, they can still be considered work-related if they are “aggravated by the seafarer's working conditions.”<sup>36</sup> On this point, the Court of Appeals' Decision is correct.

<sup>33</sup> Id. at 138. Comment is citing portions of the Court of Appeals Decision.

<sup>34</sup> Id. at 10.

<sup>35</sup> *Manansala v. Marlow Navigation Phils.*, 817 Phil. 84, 96 (2017) [Per J. Leonen, Third Division].

<sup>36</sup> Id.

However, the crux of the matter revolves around the concealment committed by respondent. Section 20(E) of the Standard Employment Contract is clear:

SECTION 20. COMPENSATION AND BENEFITS.

....

E. A seafarer who knowingly conceals a pre-existing illness or condition in the Pre-Employment Medical Examination (PEME) shall be liable for misrepresentation and shall be disqualified from any compensation and benefits. This is likewise a just cause for termination of employment and imposition of appropriate administrative sanctions.

What bars compensability is not mere inaccuracy of the prospective employee's disclosures during his medical examination. A lay person is not expected to be knowledgeable of all the nuances of his medical history so as to be precise in every declaration he or she makes. This requires expertise that a medical professional possesses.<sup>37</sup>

A seafarer shall not be compensated when he or she fraudulently misrepresents. "To amount to fraudulent misrepresentation, falsity must be coupled with intent to deceive and to profit from that deception."<sup>38</sup>

In *Manansala v. Marlow Navigation Phils., Inc.*,<sup>39</sup> Manansala, the seafarer, likewise failed to disclose his pre-existing illness during his medical examination. This Court found that he had knowingly and fraudulently misrepresented that he was not afflicted with hypertension or diabetes. He categorically answered "no" when he was asked if he had suffered from hypertension and diabetes, despite regularly taking maintenance medicine for the illnesses. This Court also noted Manansala's long experience as a seafarer, which would have familiarized him with the conduct of the Pre-Employment Medical Examinations and the need to provide truthful answers during these examinations.<sup>40</sup>

Here, as the Labor Arbiter noted, respondent on three separate occasions, filed for disability benefits for the same cerebrovascular disease. In fact, he was compensated with US\$25,000.00 for the same illness in 2009, after entering into a settlement agreement with his previous employer. Clearly, respondent knows that his condition had a direct effect on his ability to discharge his duties as a seafarer. Still, he chose not to disclose this

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<sup>37</sup> Id. at 98-99.

<sup>38</sup> Id. at 98.

<sup>39</sup> 817 Phil. 84 (2017) [Per J. Leonen, Third Division].

<sup>40</sup> Id.

important piece of information to his prospective employer in his documents and during his Pre-Employment Medical Examination. More importantly, he made it appear to petitioner Manila Ocean Crew that his repatriation in 2009 was due to the end of his contract or a vacation he took and not because of his medical condition. This deliberate concealment is fatal to his claim for disability benefits.<sup>41</sup>

Respondent argues that petitioners had the Pre-Employment Medical Examination as an opportunity to verify the data that he provided. Hence, petitioners' failure to discover his pre-existing illness should not bar his claim.

This Court cannot subscribe to respondent's argument. In *Philman Marine Agency, Inc. v. Cabanban*,<sup>42</sup> it was held that a Pre-Employment Medical Examination is:

[N]ot exploratory and does not allow the employer to discover any and all pre-existing medical condition with which the seafarer is suffering... The [Pre-Employment Medical Examination] is nothing more than a summary examination of the seafarer's physiological condition and is just enough for the employer to determine his [or her] fitness for the nature of the work for which he [or she] is to be employed.<sup>43</sup> (Citations omitted)

While the Pre-Employment Medical Examination allows the prospective employer the opportunity to assess for itself the seafarer's fitness for work, it does not remove the responsibility on the part of the employee to disclose pertinent information regarding his health. Glaring in this case is how respondent did not even deny that he concealed his pre-existing illness. He merely shifts the burden to petitioner, who he claims should have discovered it. Thus, his claim should be barred. To rule otherwise would render useless Section 20(E) of the Standard Employment Contract which prohibits compensation for pre-existing illnesses due to concealment.

Although this Court would usually look favorably on seafarers, being a lay people who probably do not understand the details of their illness compared to a trained medical professional, fraudulent intentions on their part to conceal important health information cannot be tolerated.

**WHEREFORE**, the Petition is **GRANTED**. The Court of Appeals' Decision dated December 16, 2016 and Resolution dated February 17, 2017 are **SET ASIDE**. The National Labor Relations Commission's Decision

<sup>41</sup> *Rollo*, p. 52-55.

<sup>42</sup> 715 Phil. 454 (2013) [Per J. Brion, Second Division].

<sup>43</sup> *Id.* at 480, citing *Francisco v. Bahia Shipping Services*, 650 Phil. 200 (2010) [Per J. Carpio-Morales, Third Division].



dated May 19, 2015 and Resolution dated June 29, 2015 are  
**REINSTATED.**

**SO ORDERED.”**

By authority of the Court:

*Misael Domingo C. Battung III*  
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*Division Clerk of Court*

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