



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

ELIZA GRACE A. DAÑO,
Petitioner,

G.R. No. 236351

Present:

- versus -

PERLAS-BERNABE, J.,
Chairperson,
HERNANDO,
INTING,*
DELOS SANTOS, and
BALTAZAR-PADILLA,** JJ.

MAGSAYSAY MARITIME
CORPORATION, SAFFRON
MARITIME LIMITED and/or
MYLA BELZA,
Respondents.

Promulgated:

07 SEP 2020

X-----X

DECISION

DELOS SANTOS, J.:

The Facts

Before the Court is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court assailing the Decision² dated 2 June 2017 and the Resolution³ dated 7 December 2017 of the Court of Appeals (CA) in CA-G.R. SP No. 146843 which dismissed the disability benefits claim of Eliza Grace A. Daño (petitioner).

The instant case originated from a complaint filed by petitioner against Magsaysay Maritime Corporation (Magsaysay), Saffron Maritime

* On official leave.

** On leave.

¹ *Rollo*, pp. 11-35.

² Penned by Associate Justice Normandie B. Pizarro, with Associate Justices Pedro B. Corales and Jhosep Y. Lopez, concurring; *id.* at 36-45.

³ *Id.* at 46-47.

Limited (Saffron), and Myla Belza (collectively, respondents) before the National Labor Relations Commission (NLRC) National Capital Region Arbitration Branch.⁴

In her Position Paper,⁵ petitioner claimed that she was employed as a Cocktail Waitress by Magsaysay, a manning agency, and Saffron, Magsaysay's foreign principal. Petitioner's tour duty was for nine (9) months and she was officially deployed on 21 February 2014 on board the vessel, M/V Saga Sapphire. On 14 June 2014, while petitioner was inside the vessel, she slipped and her waist landed on a steel basin and her back hit a steel frame.⁶ After her fall, petitioner was then examined by the shipside physician on duty. Petitioner claimed that the pain in her back persisted despite taking pain relievers.⁷ On 21 June 2014, petitioner underwent a magnetic resonance imaging (MRI) at Karolinska University Hospital in Stockholm, Sweden. On 23 June 2014, petitioner underwent medical treatment in St. Petersburg, Russia. Petitioner was then brought to American Medical Clinic in Russia. In the said clinic, Dr. Alexander Markovich (Dr. Markovich) found that petitioner sustained a "right XI rib fracture." On 11 September 2014, petitioner was repatriated back to the Philippines.⁸

Petitioner claimed that within three (3) days from her repatriation, she reported to respondents and asked for medical assistance. Petitioner alleged that respondents denied giving her any medical assistance, and instead offered her a new contract of engagement. Due to the throbbing pain in her back, petitioner went to St. Dominique Hospital in Bacoor, Cavite, where she was advised to undergo physiotherapy.⁹ Petitioner went back to respondents to present the physician's medical findings. However, respondents again denied giving petitioner medical assistance.¹⁰ On 6 February 2015, petitioner underwent another MRI. Dr. Manuel Magtira (Dr. Magtira) then issued a medical report where petitioner was found to have suffered "*L5-S1 disc desiccation, diffuse disc bulge, central posterior annular fissure ligamentum [flavum] thickening and facet joint hypertrophy resulting to mild neuroforaminal narrowing; L4-L5 ligamentum [flavum] thickening and facet joint arthrosis causing mild left neuroforaminal narrowing; mild leftward tilting of the spine.*"¹¹ On 12 February 2015, Dr. Magtira declared petitioner permanently unfit in any capacity as a seafarer.¹²

As their defense, respondents claimed that on 11 September 2014, petitioner finished her contract and was thereafter repatriated back to the Philippines. Respondents claimed that when petitioner reported to their

⁴ Id. at 37.

⁵ Not attached to the *rollo*.

⁶ *Rollo*, p. 37.

⁷ Id. at 20, 37.

⁸ Id. at 37.

⁹ Id. at 22, 38.

¹⁰ Id.

¹¹ CA *rollo*, p. 34.

¹² Id.

office on 16 September 2014 it was merely for an exit interview. Respondents claimed that in the said interview petitioner even revealed that she was, in fact, ready to be deployed by December 2014. Respondents then informed petitioner that she was included in the line-up of crew members that were scheduled to depart on 18 December 2014. Respondents contended that petitioner underwent her pre-employment medical examination in the Physician's Diagnostic Services Center where petitioner was declared fit for sea duty.¹³

According to respondents, petitioner's new contract was verified and approved by the Philippine Overseas Employment Administration (POEA). Petitioner called them to inform them that she was still not ready to be deployed on 18 December 2014. Respondents claimed that they even gave petitioner another deployment schedule on 25 January 2015 but petitioner did not report. Again, respondents rescheduled petitioner's deployment on 16 February 2015. Respondents contended that instead of honoring her employment on the said date, she filed the present case.¹⁴

The Labor Arbiter Ruling

In a Decision¹⁵ dated 28 August 2015, the Labor Arbiter (LA) granted petitioner's permanent disability claim. The LA held that petitioner was clearly repatriated with a medical condition. Petitioner's injury was in fact supported by the medical findings of other hospitals where petitioner was deployed. The LA ruled that it was respondents who denied petitioner her medical referral for her post-employment medical examination and instead offered her a new contract. Due to respondents' actions, petitioner's injury was never documented upon repatriation. The dispositive portion of the LA Decision provides:

WHEREFORE, premises considered, respondents Magsaysay Maritime Corporation and Saffron Maritime Limited are ordered, jointly and solidarily, to pay complainant the amount of US\$60,000.00, in its peso equivalent at the time of payment, as disability benefits; the sum of US\$3,200, in its peso equivalent at the time of actual payment, as sick wage allowance; and, ten percent (10%) of the total judgment award as attorney's fees. Other claims are denied.

SO ORDERED.¹⁶

Respondents then filed a Memorandum of Appeal¹⁷ dated 14 October 2015 before the NLRC.

¹³ *Rollo*, p. 38.

¹⁴ *Id.*

¹⁵ Penned by Labor Arbiter Romelita N. Rioflorido; *CA rollo*, pp. 48-56.

¹⁶ *Id.* at 56. (Emphasis in the original)

¹⁷ *Id.* at 78-96.

The NLRC Ruling

In a Decision¹⁸ dated 7 March 2016, the NLRC granted respondents' appeal. The NLRC reversed the LA Decision and partially granted respondents' appeal. The NLRC ruled that there is no clear showing that petitioner complied with the mandatory reporting within three (3) days from repatriation. The NLRC held that notwithstanding the medical findings overseas, the enabling act that would set the rule in claiming disability benefits is the seafarer's immediate submission to a medical examination by the company-designated physician within three (3) days from repatriation. The NLRC ruled that non-compliance with Section 20(A)(3) of the POEA-Standard Employment Contract (SEC) militates against any claim for benefits.¹⁹ The dispositive portion of the NLRC Decision provides:

WHEREFORE, the appeal of the respondents is **GRANTED**. The Labor Arbiter's grant of disability benefits to the complainant is **REVERSED AND SET ASIDE**. The claim is denied for lack of basis.

However, the sickness allowance and attorney's fees granted by the Labor Arbiter, which were not assailed, STAND.

SO ORDERED.²⁰

In a Resolution²¹ dated 31 May 2016, the NLRC denied petitioner's Motion for Reconsideration.²² Petitioner then filed a Petition for *Certiorari*²³ before the CA.

The CA Ruling

In a Decision²⁴ dated 2 June 2017, the CA affirmed the NLRC Decision and denied petitioner's claim for disability benefits. The CA held that the right of seafarer to disability benefits is a matter governed by law, contract, and medical findings. Section 20(A) of the POEA-SEC provides that the seafarer is required to comply with the three (3)-day mandatory post-employment medical examination and the seafarer must report regularly to the company-designated physician. The CA ruled that petitioner failed to submit herself to a post-employment medical examination within three (3) days from her return. As a consequence, petitioner lost her right to and shall be barred from claiming any disability benefit under her contract.²⁵

¹⁸ Penned by Commissioner Gina F. Cenit-Escoto, with Commissioners Gerardo C. Nograles and Romeo L. Go, concurring; id. at 33-43.

¹⁹ Id. at 39-42.

²⁰ Id. at 42. (Emphasis in the original)

²¹ Id. at 44-47.

²² Id. at 55-77.

²³ Id. at 4-32.

²⁴ *Rollo*, pp. 36-45.

²⁵ Id. at 40-43.

The dispositive portion of the CA Decision provides:

WHEREFORE, the instant petition is **DISMISSED** for lack of merit.

SO ORDERED.²⁶

Petitioner then filed a Motion for Reconsideration²⁷ on 20 July 2017. In a Resolution²⁸ dated 7 December 2017, the CA denied petitioner's Motion for Reconsideration.

Issue

The issue for the Court's resolution is whether the CA committed a reversible error in denying petitioner's claim for disability benefits.

The Court's Ruling

We grant the petition.

Section 20(A) of the 2010 POEA-SEC, which is the rule applicable to this case, governs the procedure for compensation and benefits for a work-related injury or illness suffered by a seafarer on board sea-going vessels during the term of his or her employment contract, to wit:

SEC. 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:

x x x x

2. x x x 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.

3. In addition to the above obligation of the employer to provide medical attention, the seafarer 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

²⁶ Id. at 45. (Emphasis in the original)

²⁷ CA *rollo*, pp. 264-274.

²⁸ *Rollo*, pp. 46-47.

company-designated physician. The period within which the seafarer shall be entitled to his sickness allowance shall not exceed 120 days. Payment of the sickness allowance shall be made on a regular basis, but not less than once a month.

x x x x

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. In the course of the treatment, the seafarer shall also report regularly to the company-designated physician specifically on the dates as prescribed by the company-designated physician and agreed to by the seafarer. 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 supplied)

Pursuant to Section 20 of the POEA-SEC, when a seafarer suffers a work-related injury or illness in the course of employment, the employer is then obligated to refer the latter to a company-designated physician. Under Section 20(A)(3), upon repatriation, the seafarer shall submit himself or herself to a post-employment medical examination within three (3) working days from his/her return. Due to the conflicting findings between the CA, the NLRC, and the LA as to whether petitioner submitted herself to a post-employment medical examination upon her repatriation, the Court deems it necessary to inquire into the records of the case.

It is clearly undisputed that petitioner suffered her injury while on board the vessel M/V Saga Sapphire. However, respondents claim that petitioner was repatriated without a medical condition and due to the expiration of her contract of employment.

We do not agree.

Firstly, petitioner was engaged by respondents as a Cocktail Waitress for a period of nine (9) months on 21 February 2014 and was repatriated on 11 September 2014 back to the Philippines. Accordingly, petitioner was repatriated prematurely or on the seventh (7th) month out of her nine (9)-month contract of employment. Clearly, respondents are wrong in their defense that petitioner's contract had expired. In fact, petitioner's contract was still in effect when she was repatriated back to the Philippines. In addition, the records show that petitioner's work-connected injury was supported by the following medical findings: (1) the findings of the shipside



physician right after her fall on 14 June 2014; (2) the MRI findings from Karolinska University Hospital in Stockholm, Sweden on 21 June 2014 finding that petitioner suffered a back contusion and recommended respondents to further check if petitioner suffered a hematoma that could cause other obstructions;²⁹ (3) the findings of another ship doctor, Dr. Kok Ching Ng, that after 18 hours of examination, petitioner's back pain did not improve and that there was already a clinical impression of soft tissue injury to the right loin area of petitioner;³⁰ and (4) the findings of Dr. Markovich of American Medical Clinic in Russia that petitioner sustained a "right XI rib fracture" on 23 June 2014. Taken together, the facts show that petitioner already had a pre-existing injury when she was repatriated.

While Section 20(A)(3) of the POEA-SEC strictly requires that the seafarer undergo a post-employment medical examination within three (3) days from repatriation, the said provision also highlights the obligation of the shipping company to provide proper medical referral or treatment to the injured seafarer within the given period. The Court takes credence of the findings of the LA that petitioner indeed reported to respondents' company-designated physician within three (3) days from her repatriation to the Philippines. Considering the abundant medical reports of petitioner's injury prior to her repatriation, it was incumbent upon respondents to receive petitioner for medical treatment within three (3) days upon her repatriation. Despite having access to the preliminary medical findings of petitioner's injury while on board the vessel, respondents still denied petitioner's medical referral and instead conveniently claimed that petitioner was repatriated due to the expiration of her contract of employment. Instead of giving petitioner the proper medical treatment for her work-connected injury, respondents offered petitioner a new contract.

In *De Andres v. Diamond H Marine Services & Shipping Agency, Inc.*³¹ (*De Andres*), the Court recognized exceptions to the requirement of a post-employment medical examination by the company-designated physician within three (3) days from the seafarer's repatriation, to wit: "(1) when the seafarer is incapacitated to report to the employer upon his repatriation; and (2) when the employer inadvertently or deliberately refused to submit the seafarer to a post-employment medical examination by a company-designated physician."³² In *De Andres*, the Court also cited the Court's ruling in *Apines v. Elburg Shipmanagement Philippines, Inc.*³³ where the Court emphasized that the employer, and not the seafarer, has the burden to prove that the seafarer was referred to a company-designated doctor.³⁴

²⁹ CA rollo, p. 51.

³⁰ Id.

³¹ 813 Phil. 746 (2017).

³² Id. at 763.

³³ 799 Phil. 220 (2016).

³⁴ Supra note 31, at 763.

Notably, the purpose of the medical examination is to determine and to confirm the seafarer's injury upon repatriation. Since respondents denied petitioner her medical referral and treatment, petitioner was constrained to secure the assessment of her injury from her chosen physician wherein she was declared to have suffered "*L5-S1 disc desiccation, diffuse disc bulge, central posterior annular fissure ligamentum [flavum] thickening and facet joint hypertrophy resulting to mild neuroforaminal narrowing; L4-L5 ligamentum [flavum] thickening and facet joint arthrosis causing mild left neuroforaminal narrowing; mild leftward tilting of the spine.*"³⁵ Accordingly, the fact that petitioner was already found to have suffered an injury by the shipside physician and two other doctors during her duty established respondents' obligation to ensure petitioner's proper medical referral for examination within three (3) days upon her return. There is no evidence on record showing respondents agreed to give medical treatment to petitioner after she showed up in their office for her post-employment medical examination within three (3) days from her repatriation.

In *Interorient Maritime Enterprises, Inc. v. Remo*,³⁶ the Court emphatically ruled that "the absence of a post-employment medical examination cannot be used to defeat respondent's claim since the failure to subject the seafarer to this requirement was not due to the seafarer's fault but to the inadvertence or deliberate refusal"³⁷ of the shipping company. Accordingly, the CA committed a reversible error in refusing to grant petitioner's disability claim on account that she failed to submit herself to post-employment medical examination within three (3) days from her repatriation. Petitioner's right to receive her disability benefits cannot be defeated due to the outright refusal of respondents to comply with their obligation to refer petitioner for a post-employment medical examination under Section 20 of the POEA-SEC. Indeed, respondents were remiss in their obligation to safeguard the welfare of petitioner after having suffered a work-connected injury.

WHEREFORE, premises considered, the petition is **GRANTED**. The assailed Decision dated 2 June 2017 and the Resolution dated 7 December 2017 of the Court of Appeals in CA-G.R. SP No. 146843 are **REVERSED**. Respondents Magsaysay Maritime Corporation, Saffron Maritime Limited, and/or Myla Belza are jointly and solidarily ordered to pay petitioner Eliza Grace A. Daño US\$60,000.00 as permanent and total disability benefits, US\$3,200.00 as sick wage allowance, and attorney's fees equivalent to ten percent (10%) of this amount. Legal interest of 6% per *annum* is imposed on the total judgment award from the finality of this Decision until fully paid.

³⁵ CA *rollo*, p. 34.

³⁶ 636 Phil. 240 (2010).

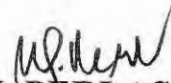
³⁷ *Id.* at 250-251.

SO ORDERED.

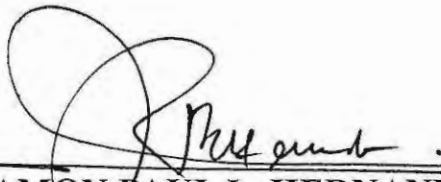


EDGARDO L. DELOS SANTOS
Associate Justice

WE CONCUR:



ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson



RAMON PAUL L. HERNANDO
Associate Justice

(On Official Leave)

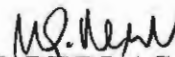
HENRI JEAN PAUL B. INTING
Associate Justice

(On Leave)

PRISCILLA J. BALTAZAR-PADILLA
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.



DIOSDADO M. PERALTA
Chief Justice