685 Phil. 704

FIRST DIVISION

[G.R. No. 173951, April 16, 2012]

DANIEL M. ISON, PETITIONER, VS. CREWSERVE, INC., ANTONIO GALVEZ, JR., AND MARLOW NAVIGATION CO., LTD., RESPONDENTS.

D E C I S I O N

DEL CASTILLO, J.:

While the provisions of the Philippine Overseas Employment Administration Standard Employment Contract (POEA-SEC) are liberally construed in favor the well-being of Overseas Filipino Workers (OFW), claims for compensation which hinge on surmises must still be denied, as in this case.

By this Petition for Review on *Certiorari*,[1] petitioner Daniel M. Ison assails the Decision[2] dated February 17, 2006 and Resolution[3] dated August 1, 2006 of the Court of Appeals (CA) in CA-G.R. SP No. 89112, which reversed and set aside the Decisions dated February 26, 2004[4] and August 24, 2004[5] and the Resolution[6] dated February 28, 2005 of the National Labor Relations Commission (NLRC), and consequently dismissed petitioner's claim for disability benefits against respondents Crewserve, Inc., Antonio Galvez, Jr. (in his capacity as President of Crewserve, Inc.) and Marlow Navigation Co., Ltd.

Factual Antecedents

On July 21, 1999, a Contract of Employment[7] was entered into by and between petitioner and respondents whereby the former agreed to work as Cook A for the latter on board *M.V. Stadt Kiel* for a period of 12 months at a basic monthly salary of US$550.00. Said contract was approved by the Philippine Overseas Employment Administration (POEA).

After his pre-employment medical examination, petitioner boarded the vessel in November 1999. During the course of his employment, however, petitioner experienced chest pains and leg cramps. Thus, when the vessel reached Miami, Florida, he was sent to Sunshine Medical Center for a medical check-up, electrocardiogram (ECG) and chest x-ray. The tests revealed abnormal findings with the corresponding recommendation that petitioner consult a cardiologist.[8] Petitioner was thereafter medically repatriated on June 24, 2000.

Upon repatriation, petitioner was referred to respondents' physician at El Roi Diagnostic Center for a medical examination and was diagnosed to be suffering from enlargement

of the heart and hypertension. For two months, he underwent a series of treatment at respondents' expense. On August 25, 2000, petitioner was declared fit to return to work since the diagnosis of the company-designated physician already showed controlled hypertension with the concomitant advice, however, of continuous medication for life.[9] Petitioner thereafter executed on September 8, 2000, a release and quitclaim[10] in favor of respondents wherein he acknowledged receipt of US$1,136.67 corresponding to his sickness allowance, thereby releasing his employer from future claims and actions.

Proceedings before the Labor Arbiter

Despite the execution of the aforesaid release and quitclaim, petitioner, on November 7, 2001, filed a complaint[11] against respondents before the Arbitration Branch of the NLRC to claim full disability benefits amounting to US$60,000.00 pursuant to the POEA-SEC; moral and exemplary damages for P1,000,000.00 and P200,000.00, respectively; and, 25% attorney's fees. Petitioner claimed that his illness continued to worsen despite the fit to work assessment of the company-designated physician, rendering him unfit for sea service and entitling him to total and permanent disability compensation. To support this, petitioner presented: 1) a medical certificate[12] dated January 11, 2001 issued by Dr. Efren R. Vicaldo (Dr. Vicaldo), whose evaluation revealed that petitioner was suffering from hypertensive cardiovascular disease, concentric left ventricular hypertrophy, lateral wall ischemic and who suggested a Grade V impediment rating; and 2) a medical certificate[13] dated June 16, 2001 issued by Dr. Jocelyn Myra R. Caja (Dr. Caja), who recommended close monitoring of petitioner's medical condition and limitation of his daily activities. Dr. Caja, in the same certification, also gave petitioner a disability rating of Grade 3 and declared him unfit to work.

Respondents, on the other hand, argued that petitioner is not entitled to any disability compensation as he was declared fit to return to work as a seaman on August 25, 2000 after undergoing two months of medical treatment at respondents' expense. Respondents further claimed to have settled its obligation to petitioner when the latter received the amount of $1,136.67 as full settlement of his claims including sickness allowance, as evidenced by a release and quitclaim duly executed and signed by him.

In a Decision[14] dated January 21, 2003, the Labor Arbiter dismissed the complaint of petitioner considering that the certifications he presented do not outweigh the company-designated physician's fit to work assessment. According to the Labor Arbiter, the certifications of disability issued by petitioner's physicians were made long after he was declared fit to work and were based only on petitioner's single consultation with each of them. In contrast, respondents dutifully complied with their obligations under the employment contract by providing petitioner with medical assistance at the foreign port, repatriating him at their expense, providing him with medical examination and treatment, paying his sickness allowance, and assessing him to be fit to return to work. The claims for damages and attorney's fees were also denied.

Proceedings before the National Labor Relations Commission

On appeal by petitioner, the NLRC through a Decision[15] dated February 26, 2004 reversed and set aside the Labor Arbiter's ruling. The NLRC disregarded the certification of fitness to work issued by the company-designated physician since it found petitioner's subsequent consultations with Drs. Vicaldo and Caja as proof of the severity of petitioner's illness. The NLRC went on to declare that petitioner's poor health condition, which required close monitoring and continuous medication, resulted to the impairment of his earning capacity thereby entitling him to disability benefits. The dispositive portion of the Decision reads:

> WHEREFORE, finding merit in the appeal, the Decision dated 21 January 2003 is hereby reversed and set aside. Complainant is entitled to minimum disability benefits corresponding to his illness of hypertensive cardiovascular disease, ischemic heart disease in the amount of US$3,360.00.
>
> SO ORDERED.[16]

Not satisfied with the amount of the award, petitioner sought reconsideration averring that he is entitled to a total and permanent disability compensation in the amount of US$60,000.00 or at least US$39,180.00, which is equivalent to the disability grading of 3 as certified by Dr. Caja. He also reiterated his prayer for damages and attorney's fees.

On August 24, 2004, the NLRC issued another Decision[17] wherein it modified its earlier ruling by granting petitioner the amount corresponding to Grade 3 disability rating based on the certification issued by Dr. Caja. He was likewise awarded 5% attorney's fees but not damages since bad faith is lacking on the part of respondents, thus:

> WHEREFORE, premises considered, Our Decision dated 26 February 2004 is hereby MODIFIED in that complainant is declared entitled to $39,180.00 disability benefits, with five (5%) percent attorney's fees.
>
> SO ORDERED.[18]

This time, it was respondents' turn to move for reconsideration but same was denied by the NLRC for lack of merit in its Resolution[19] dated February 28, 2005.

Proceedings before the Court of Appeals

In their Petition for *Certiorari* and Prohibition with Prayer for Temporary Restraining Order (TRO) and/or Preliminary Injunction[20] before the CA, respondents averred that the NLRC committed grave abuse of discretion in granting petitioner disability benefits. They argued that the NLRC should not have relied on the certification of Dr. Caja as her evaluation was based solely on hearsay, it being unsupported by any examination done

on petitioner. Also, since all medical tests and examinations were done by the company-designated physician, petitioner's physicians were not privies to his case from the beginning. Thus, both Drs. Vicaldo and Caja's findings were not adequate evidence of petitioner's loss of earning capacity due to ailment contracted during employment.

In a Resolution[21] dated July 4, 2005, the CA issued a TRO enjoining the NLRC from enforcing the following issuances: a) NLRC Decision dated February 26, 2004; b) NLRC Decision dated August 24, 2004; c) NLRC Resolution dated February 28, 2005; and d) Writ of Execution issued by the Labor Arbiter on May 31, 2005 in NLRC NCR OFW 01-11-2316-00. Thereafter, on September 28, 2005, a Writ of Preliminary Injunction was issued upon respondents' posting of a bond in the amount of P500,000.00.

The CA then rendered its Decision[22] on February 17, 2006. It found merit in the petition and ruled that the NLRC gravely abused its discretion in relying on the certification issued by Dr. Caja instead of the fit to work declaration of the company-designated physician who, under the POEA-SEC, is the one tasked to assess petitioner's medical condition for purposes of claiming disability compensation. Besides, the medical certificate of Dr. Caja cannot be considered as an accurate assessment of the illness contracted by petitioner during the course of his employment with respondents. It was based merely on the statements given to Dr. Caja by petitioner and same did not even provide for any justification for the rating given. Also, the certification was made 10 months from the date petitioner was declared fit to work and almost one year from the date of his repatriation. And the most notable of all, petitioner consulted Dr. Caja only once. With regard to the release and quitclaim, the CA upheld the same considering that it was voluntarily executed by petitioner and that the consideration for its issuance was not unconscionable and unreasonable. It ruled that respondents were already released from liability when petitioner was declared fit to return to work and after they paid him sickness allowance for which he even executed a quitclaim. Thus, the dispositive portion of the CA Decision states:

> **WHEREFORE**, the assailed Decisions dated February 26, 2004, and August 24, 2004, and the Resolution dated February 28, 2005 issued by the NLRC in NCR CA No. 034945-03 are **REVERSED AND SET ASIDE**. The Decision of the Labor Arbiter, dated January 21, 2003, dismissing private respondents' complaint is **REINSTATED**.
>
> **SO ORDERED**.[23]

Petitioner filed his Motion for Reconsideration[24] but same was denied by the CA in a Resolution[25] dated August 1, 2006.

Hence, this present petition.

Issues

Petitioner anchors his petition on the following assignment of errors:

THE FINDINGS OF FACT OF THE HONORABLE COURT OF APPEALS DO NOT CONFORM TO THE EVIDENCE ON RECORD. MOREOVER, THERE WAS A MISAPPRECIATION AND/OR MISAPPREHENSION OF FACTS AND THE HONORABLE COURT FAILED TO NOTICE CERTAIN RELEVANT POINTS WHICH IF CONSIDERED WOULD JUSTIFY A DIFFERENT CONCLUSION.

A. THE EVIDENCE ON RECORD SHOWS THAT MR. ISON IS ENTITLED TO AT LEAST A GRADE 3 DISABILITY OR US$39,180.00

B. THE COURT A QUO FAILED TO APPRECIATE THE EVIDENCE ON RECORD VIS-À-VIS SUPREME COURT DECISIONS THAT THE PETITIONER IS PERMANENTLY DISABLED (PTC DOCTRINE, CRYSTAL SHIPPING DOCTRINE).

THE CONCLUSION OF THE COURT OF APPEALS IS A FINDING BASED ON SPECULATION AND/OR SURMISE AND THE INFERENCES MADE WERE MANIFESTLY MISTAKEN. IT IS NOT BASED ON THE POEA CONRACT VIS-À-VIS DECISIONS OF THE SUPREME COURT.[26]

Petitioner asserts that the CA erred in failing to give evidentiary value to the medical report of his physician, Dr. Caja, arguing that the provisions of the POEA-SEC and the numerous rulings of this Court have established that the determination of the disability of a seaman is not limited to the company-designated physician.

Petitioner also avers that the quitclaim signed by him refers merely to his acceptance of the sickness allowance and minor benefits and does not effectively bar him from filing a complaint to recover disability benefits.

Our Ruling

The petition has no merit.

The medical reports of petitioner's physicians do not deserve any credence as against the fit to work assessment of the company-designated physician

Citing several jurisprudence, petitioner argues that the determination of disability rating is not left to the sole discretion of the company-designated physician. Hence, according to him, the two medical reports issued by his physicians may be admitted as proof that he is still suffering from the illness that brought about his repatriation and that same should be made the basis for his claim for total and permanent disability in the amount of $60,000.00 or at least $39,180.00, corresponding to Grade 3 disability rate in

accordance with the POEA-SEC.

It is worthy to note that when petitioner executed an employment contract with respondents on July 21, 1999, it was the 1996 POEA-SEC, based on POEA Memorandum Circular No. 055-96,[27] that was applied, deemed written in and appended to his employment contract. Section 20(B) thereof states:

> The liabilities of the employer when the seafarer suffers injury or illness during the term of his contract are as follows:
>
> x x x x
>
> 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.
>
> 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.
>
> x x x x

From the foregoing provision, it is explicit and clear that for purposes of determining the seafarer's degree of disability, it is the company-designated physician who must proclaim that he sustained a permanent disability, whether total or partial, due to either injury or illness, during the term of his employment. This was the ruling in *Panganiban v. Tara Trading Shipmanagement, Inc*,[28] where it was held that there being no ambiguity in the wordings of the Standard Employment Contract that the only qualification prescribed for the physician entrusted with the task of assessing the

disability is that he be "company-designated," the literal meaning of the same shall thus control.

In *Seagull Maritime Corp. v. Dee,*[29] however, a case involving an employment contract entered into in 1999 as in this case, we have held that resort to prognosis of other physicians may be allowed especially so if there are serious doubts on the evaluation made by the company-designated physician. The same ruling was applied in *Abante v. KJGS Fleet Management Manila*[30] in that the seafarer was given an option to seek a second opinion from his preferred physician notwithstanding the fact that it was the POEA Memorandum Circular No. 05-96 which governed the parties' contract of employment. Hence, "while it is the company-designated physician who must declare that the seaman suffers a permanent disability during employment, it does not deprive the seafarer of his right to seek a second opinion, hence the Contract recognizes the prerogative of the seafarer to request a second opinion and, for this purpose, to consult a physician of his choice."[31]

The case of *Maunlad Transport, Inc. v. Manigo, Jr.*[32] has also reiterated the prerogative of a seafarer to request for a second opinion with the qualification that the physician's report shall still be evaluated according to its inherent merit for the Court's consideration, *viz*:

> All told, the rule is that under Section 20-B(3) of the 1996 POEA-SEC, it is mandatory for a claimant to be examined by a company-designated physician within three days from his repatriation. The unexplained omission of this requirement will bar the filing of a claim for disability benefits. However, in submitting himself to examination by the company-designated physician, a claimant does not automatically bind himself to the medical report issued by the company-designated physician; neither are the labor tribunals and the courts bound by said medical report. Its inherent merit will be weighed and duly considered. Moreover, the claimant may dispute the medical report issued by the company-designated physician by seasonably consulting another physician. The medical report issued by said physician will also be evaluated by the labor tribunal and the court based on its inherent merits. (Emphasis in the original.)

These being said, the Court shall thus evaluate the findings of petitioner's physicians vis-a-vis the findings of the company-designated physician.

As can be recalled, after two months of treatment from date of repatriation, petitioner was declared fit to return to work on August 25, 2000 by the company-designated physician. Said physician certified that with proper medication, petitioner's hypertension appears to be "controlled" and that discontinuance of such medication may cause his blood pressure to again shoot up. As such, she recommended for petitioner to continue taking his medicines and to observe a low fat, low salt diet. However, after about five months or on January 11, 2001, petitioner consulted Dr. Vicaldo, a private physician at the Philippine Heart Center, who made the following

findings: Hypertensive cardiovascular disease, concentric left ventricular hypertrophy, lateral wall ischemic and impediment Grade V (58-96%). Another five months have passed or on June 16, 2001, petitioner again sought the medical advice of another private physician, Dr. Caja, who issued a medical report which reads:

> June 16, 2001
>
> To whom it may concern,
>
> This is regarding Mr. Daniel M. Ison, 57y/o, seaman from Cainta, Rizal. June 2000 when patient started to experience chest pain while on board the ship. He was then done ECG and chest x-ray which revealed S-t segment depression and t wave inversion. He was then repatriated where further work-up was done. 2D ECHO done showed mild aortic regurgitation and mitral regurgitation. He was then prescribed Isopten, Adalat, and Cardinel. He was then diagnosed to have hypertensive cardiovascular disease, ischemic heart disease, concentric left ventricular hypertrophy. His BP then fluctuates from systolic of 140-150. He claims that if his BP went down to less than 130, he feels bad. Recently, he complains of occasional chest heaviness with easy fatigability and dyspnea on exertion. He has been having poor compliance with his medications. His recent BP is 190/110 and so continuation of his previous medications was advised. Addition of Neobloc 50mg TID and Approvel 150mg OD was given. Precaution on correct diet and proper lifestyle was recommended.
>
> The patient's clinical condition needs close monitoring and limitation to the daily activities. Thus, rendering him unfit for work.
>
> DISABILITY RATING: GRADE 3
>
> Respectfully yours,
>
> (Signed)
> Jocelyn Myra R. Caja, MD
> Medical Specialist
> Lic. no.: 076484[33]

Based on the said medical reports of petitioner's physicians, the NLRC reversed the Labor Arbiter's ruling and granted petitioner disability compensation. However, on appeal, the CA disregarded said physicians' medical findings and instead upheld the one made by the company-designated physician.

We hold that the CA is correct in ruling thus. The company-designated physician has cleared petitioner for employment resumption after two months of continuous treatment and after medication has successfully controlled his hypertension. As aptly held by the CA, the extensive medical attention given by the company-designated physician to petitioner enabled the former to acquire a detailed knowledge and

familiarity of petitioner's medical condition. This enabled the company-designated physician to arrive at a more accurate prognosis of petitioner's disability as compared to other physicians not privy to petitioner's case from the beginning. It has been held that the doctor who have had a personal knowledge of the actual medical condition, having closely, meticulously and regularly monitored and actually treated the seaman's illness, is more qualified to assess the seaman's disability.[34]

On the other hand, the medical reports of Dr. Vicaldo and Dr. Caja were issued after petitioner consulted each of them only once. Clearly, said physicians did not have the chance to closely monitor petitioner's illness. Moreover, Dr. Vicaldo's evaluation of petitioner's illness was unsupported by any proof or basis. While he diagnosed petitioner to be suffering from "Hypertensive Cardiovascular Disease, Concentric Left Ventricular Hypertrophy, Lateral Wall Ischemic" and suggested an "Impediment Grade V (58-96%)," no justification for such assessment was provided for in the medical certificate he issued. Similarly, Dr. Caja's medical report contained no supporting proof but was rather based on the findings of past examinations done by the company-designated physician, as well as on the statements supplied to her by the petitioner. In *Coastal Safety Marine Services Inc. v. Esguerra*,[35] this Court brushed aside the medical certifications upon which the seaman therein anchored his claim for disability benefits for being unsupported by diagnostic tests and procedures as would effectively dispute the results of the medical examination earlier made upon him in a foreign clinic referred by his employer.

Likewise significant is the fact that it took petitioner more than a year before disputing the declaration of fitness to work by the company-designated physician. Petitioner filed a claim for disability benefit on the basis of Dr. Vicaldo and Dr. Caja's medical certifications which were issued after five and 10 months, respectively, from the company-designated physician's declaration of fit to work. Unfortunately, apart from the reasons already stated, these certifications could not be given any credence as petitioner's health condition could have changed during the interim period due to different factors such as petitioner's poor compliance with his medications as in fact mentioned by Dr. Caja in the medical certificate she issued. As such, the said medical certifications cannot effectively controvert the fit to work assessment earlier made. The Court has previously rejected a medical report by a physician on this ground in *Cadornigara v. National Labor Relations Commission*,[36] wherein it was ruled that:

> x x x. It is noted that petitioner took six months before disputing the finding of Dr. Cruz by filing a complaint for disability benefits. Worse, in his complaint, petitioner averred that he continued to undergo therapy and medication even after Dr. Cruz certified him fit to work. Yet, petitioner did not secure from the doctors who administered such therapy and medication a certification that would contradict that of Dr. Cruz. Rather, he waited another month to manifest to the LA that he be examined by a government doctor. Such request is not reasonable. As we observed in *Sarocam v. Interorient Maritime Ent. Inc.,* it makes no sense to compare the certification of a company-designated physician with that of an employee-appointed

physician if the former is dated seven to eight months earlier than the latter -- there would be no basis for comparison at all.

Furthermore, petitioner voluntarily executed a release and quitclaim in respondents' favor right after the assessment of the company-designated physician and receipt of his sickness allowance. Indeed, quitclaims executed by employees are commonly frowned upon as being contrary to public policy. But where the person making the waiver has done so voluntarily, with a full understanding thereof, and the consideration for the quitclaim is credible and reasonable, the transaction must be recognized as being a valid and binding undertaking.[37] Contrary to petitioner's contention, the amount of US$1,136.67 he received is reasonable enough to cover his sickness allowance for two months of treatment under the care of respondents' physician. We, therefore, find no reason to invalidate the quitclaim.

In sum, we hold that the CA did not err in denying petitioner's claim for disability compensation as no adequate and credible evidence was submitted to show entitlement to the same. As we have consistently held, awards for compensation cannot be made to rest on mere speculations and presumptions.[38]

WHEREFORE, the petition is **DENIED**. The assailed Decision dated February 17, 2006 and Resolution dated August 1, 2006 of the Court of Appeals in CA-G.R. SP No. 89112 are **AFFIRMED**.

SO ORDERED.

Corona, C.J., (Chairperson), Leonardo-De Castro, Bersamin, and *Villarama, JJ.*, concur.

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[1] *Rollo*, pp. 26-51.

[2] CA *rollo*, pp. 238-248; penned by Associate Justice Hakim S. Abdulwahid and concurred in by Associate Justices Elvi John S. Asuncion and Estela M. Perlas-Bernabe (now a member of this Court).

[3] Id. at 271.

[4] Id. at 38-44; penned by Commissioner Angelita A. Gacutan and concurred in by Presiding Commissioner Raul T. Aquino and Commissioner Victoriano R. Calaycay.

[5] Id. at 45-48.

[6] Id. at 49-53.

[7] Id. at 85.

[8] See Work Status Report dated June 8, 2000, id. at 86.

[9] Id. at 57.

[10] See Discharge Receipt and Release of Claims dated September 8, 2000, id. at 109.

[11] Docketed as NLRC-NCR Case No. OFW-01-11-2316-00.

[12] CA *rollo*, p. 108.

[13] Id. at 107.

[14] Id. at 88-94; penned by Labor Arbiter Veneranda C. Guerrero.

[15] Supra note 4.

[16] CA *rollo*, p. 43.

[17] Supra note 5.

[18] CA *rollo*, p. 48.

[19] Supra note 6.

[20] CA *rollo*, pp. 2-37.

[21] Id. at 124-126.

[22] Supra note 2.

[23] CA *rollo*, p. 248.

[24] Id. at 249-256.

[25] Supra note 3.

[26] *Rollo*, p. 34.

[27] *Revised Standard Employment Terms and Conditions Governing the Employment of Filipino Seafarers On Board Ocean-going Vessels* (which provides for the minimum requirements for Filipino seafarer's overseas employment).

[28] G.R. No. 187032, October 18, 2010, 633 SCRA 353, 367-368, citing *German Marine Agencies, Inc. v. National Labor Relations Commission*, 403 Phil. 572, 588

(2001).

[29] G.R. No. 165156, April 2, 2007, 520 SCRA 109, 120.

[30] G.R. No. 182430, December 4, 2009, 607 SCRA 734, 738-740.

[31] *NYK-Fil Ship Management, Inc. v. Talavera*, G.R. No. 175894, November 14, 2008, 571 SCRA 183, 193.

[32] G.R. No. 161416, June 13, 2008, 554 SCRA 446, 459.

[33] Supra note 13.

[34] *Montoya v. Transmed Manila Corporation,* G.R. No. 183329, August 27, 2009, 597 SCRA 334, 347-348; *Magsaysay Maritime Corp. v. Velasquez,* G.R. No. 179802, November 14, 2008, 571 SCRA 239, 251; *Sarocam v. Interorient Maritime Ent., Inc.*, G.R. No. 167813, June 27, 2006, 493 SCRA 502, 513.

[35] G.R. No. 185352, August 10, 2011.

[36] G.R. No. 158073, November 23, 2007, 538 SCRA 363, 374.

[37] *Kimberly-Clark Philippines, Inc. v. Dimayuga*, G.R. No. 177705, September 18, 2009, 600 SCRA 648, 656.

[38] *Cootauco v. MMS Phil. Maritime Services, Inc.*, G.R. No. 184722, March 15, 2010, 615 SCRA 529, 546.
