

726 Phil. 550

THIRD DIVISION

[G.R. No. 184318, February 12, 2014]

**ANTONIO E. UNICA, PETITIONER, VS. ANSCOR SWIRE SHIP
MANAGEMENT CORPORATION, RESPONDENT.**

DECISION

PERALTA, J.:

Before this Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking to set aside the Decision^[1] and Resolution^[2] of the Court of Appeals (CA) in CA-G.R. CEB-SP No. 01417, which annulled and set aside the Decision of the National Labor Relations Commission, Fourth Division in NLRC Case No. OFW V-000031-2005 (RAB Case No. VI-OFW-(M) 02-12-0083).

The antecedents are as follows:

Respondent Anscor Swire Ship Management Corporation is a manning agency. Since the late 1980s, petitioner was employed by respondent under various contracts. In his last contract, petitioner was deployed for a period of nine (9) months from January 29, 2000 to October 25, 2000. However, since the vessel was still at sea, petitioner was only repatriated on November 14, 2000, or twenty (20) days after the expiration of his contract of employment. Petitioner averred that since he was allowed to stay in the vessel for another twenty (20) days, there was an implied renewal of his contract of employment. Hence, when he was repatriated on November 14, 2000 without a valid cause, he was illegally dismissed.

Due to the foregoing, petitioner filed a case against the respondent for illegal dismissal, payment of retirement, disability and medical benefits, separation and holiday pay. In its defense, respondent argued that petitioner was hired for a fixed period, the duration of which depends upon the mutual agreement of the parties. Petitioner's employment was, therefore, co-terminus with the term of his contract. Hence, the claim of petitioner that he was illegally dismissed must fail, because he was repatriated due to the completion of the term of his contract.

On May 31, 2004, the Labor Arbiter (LA) ruled in favor of petitioner.^[3] The LA ruled that since petitioner was not repatriated at the expiration of his contract on October 25, 2000, and was allowed by respondent to continue working on board its vessel up to November 14, 2000, his contract with respondent was impliedly renewed for another nine months. The LA directed respondent to pay petitioner his salary for the unexpired portion of his impliedly renewed contract, his medical benefits and attorney's fees.

Aggrieved by the decision, respondent appealed to the NLRC. On August 24, 2005, the NLRC affirmed with modification the LA's decision.^[4] Like the LA, the NLRC ruled that

the contract did not expire on October 25, 2000, but was impliedly extended for another nine months. This is because it was only on November 14, 2000 when petitioner was told by respondent to disembark because he would be repatriated. Since there was an implied extension of the contract for another nine months, petitioner is, therefore, entitled to payment of the unexpired term of his implied contract. The NLRC, however, deleted the award of medical benefits and reduced the amount of attorney's fees.

Undaunted, respondent filed a Petition for *Certiorari* with the CA. The CA, in its Decision^[5] dated August 15, 2006, annulled and set aside the decision of the NLRC. The CA ruled that there was no implied renewal of contract and the 20 days extension was due to the fact that the ship was still at sea. Petitioner filed a motion for reconsideration, which was denied by the CA in a Resolution^[6] dated August 11, 2008. Hence, the present petition.

The main issue in this case is whether or not there was an implied renewal of petitioner's contract of employment with respondent.

The petition is not meritorious.

In the case at bar, although petitioner's employment contract with respondent ended on October 25, 2000 and he disembarked only on November 14, 2000 or barely 20 days after the expiration of his employment contract, such late disembarkation was not without valid reason. Respondent could not have disembarked petitioner on the date of the termination of his employment contract, because the vessel was still in the middle of the sea. Clearly, it was impossible for petitioner to safely disembark immediately upon the expiration of his contract, since he must disembark at a convenient port. Thus, petitioner's stay in the vessel for another 20 days should not be interpreted as an implied extension of his contract. A seaman need not physically disembark from a vessel at the expiration of his employment contract to have such contract considered terminated.^[7]

It is a settled rule that seafarers are considered contractual employees. Their employment is governed by the contracts they sign everytime they are rehired and their employment is terminated when the contract expires. Their employment is contractually fixed for a certain period of time.^[8] Thus, when petitioner's contract ended on October 25, 2000, his employment is deemed automatically terminated, there being no mutually-agreed renewal or extension of the expired contract.

However, petitioner is entitled to be paid his wages after the expiration of his contract until the vessel's arrival at a convenient port. Section 19 of the Standard Terms and Conditions Governing the Employment of Filipino Seafarers On-Board Ocean-Going Vessels is clear on this point:

REPATRIATION. A. If the vessel is outside the Philippines upon the expiration of the contract, the seafarer shall continue his service on board until the vessel's arrival at a convenient port and/or after arrival of the replacement crew, provided that, in any case, the continuance of such service shall not exceed three months. The seafarer shall be entitled to earned wages and benefits as provided in his contract.

WHEREFORE, the petition is **DENIED**. The Decision and Resolution of the Court of Appeals, in CA-G.R. CEB-SP No. 01417, dated August 15, 2006 and August 11, 2008, respectively, are **AFFIRMED** with **MODIFICATION** that respondent is **DIRECTED** to **PAY** petitioner his salary from October 26, 2000 until November 14, 2000. The case is **REMANDED** to the Labor Arbiter for the purpose of computing the aforementioned monetary award to petitioner.

SO ORDERED.

Velasco, Jr., J., (Chairperson), Abad, Mendoza, and Leonen, JJ., concur.

[1] Penned by Associate Justice Vicente L. Yap, with Associate Justices Arsenio J. Magpale and Romeo F. Barza, concurring; *rollo*, pp. 49-56.

[2] *Rollo*, p. 47.

[3] *Id.*

[4] *Id.*

[5] *Id.* at 49-56.

[6] *Id.* at 47.

[7] *Delos Santos v. Jebsen Maritime, Inc.*, 512 Phil. 301, 313 (2005).

[8] *Millares v. National Labor Relations Commission*, 434 Phil. 524, 537-538 (2002).



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