

734 Phil. 281

## SECOND DIVISION

[ G.R. No. 198640, April 23, 2014 ]

**CARLO F. SUNGA, PETITIONER, VS. VIRJEN SHIPPING CORPORATION, NISSHO ODYSSEY SHIP MANAGEMENT PTE. LTD., AND/OR CAPT. ANGEL ZAMBRANO, RESPONDENTS.**

### DECISION

**BRION, J.:**

This is an appeal of the Decision<sup>[1]</sup> dated February 25, 2011 and the Resolution dated September 14, 2011 of the Court of Appeals (**CA**) in CA-GR SP No. 113661. The appealed decision reversed and set aside the Decision dated December 21, 2009 of the National Labor Relations Commission (**NLRC**), Second Division, finding Carlo F. Sunga (**Sunga**) not entitled to disability benefits.

#### The Antecedent Facts

On July 14 2006, Virjen Shipping Corporation (**Virjen**), acting in behalf of its foreign principal, Nissho Odyssey Ship Management Pte. Ltd., entered into a contract of employment with Sunga. Under the contract, Sunga would be working as a fitter on board the ocean-going vessel MT Sunway for nine (9) months on a monthly salary of US\$ 566.00.<sup>[2]</sup>

As a registered member of the Associated Marine Officers' and Seamen's union of the Philippines (**AMOSUP**), Sunga's employment was covered by the IBF JUS/AMOSUP-IMMAJ Collective Bargaining Agreement (**CBA**) executed between Virjen and Nissho Odyssey, All Japan Seamen's Union and AMOSUP.<sup>[3]</sup>

Prior to Sunga's deployment, or before August 11, 2006, he underwent a pre-employment medical examination that found him fit for work. But, sometime in 2007, while already on board the MT Sunway vessel, Sunga started to experience an on-and-off right flank pain, making it difficult for him to work. The pain became more intense as the days progressed, thereby prompting him to request for repatriation. The request was granted on April 25, 2007.<sup>[4]</sup>

On April 27, 2007, Sunga reported to Virjen's company-designated physician, Dr. Nicomedes G. Cruz (**Dr. Cruz**), for medical examination. The doctor instructed him to undergo Magnetic Resonance Imaging (**MRI**) of his lumbosacral spine. The MRI's results merited the medical advice that Sunga undergo physical therapy for a period of four (4) months under the supervision of Dr. Cruz. Despite the therapy, Sunga still experienced episodes of moderate to severe pain on his right lower extremity and

back. He also manifested limited trunk mobility and was unable to undertake lifting activities.<sup>[5]</sup>

On September 7, 2007, Dr. Cruz issued a medical certificate recommending a Grade 8 disability (*Moderate rigidity or 2/3 loss of motion or lifting power of the trunk*) based on the Philippine Overseas Employment Administration (**POEA**) Standard Employment Contract for Seafarers. Dr. Cruz also issued another medical certificate recommending a disability grading of 25% (*Back pains with considerable reduction of mobility*) in accordance with the parties' CBA.<sup>[6]</sup>

On the strength of these two certificates, Virjen immediately offered Sunga the amount of US\$ 16,795.00, in accordance with the POEA Standard Employment Contract for Seafarers, as full settlement for the latter's disability benefits. However, Sunga rejected the offer; he demanded instead that his disability benefits be based on the disability grading of 25%, pursuant to the provisions of the parties' CBA.<sup>[7]</sup>

Virjen denied Sunga's demand. Hence, on October 23, 2007, Sunga filed a complaint before the NLRC against Virjen for disability benefits as stated in the parties' CBA (not under the POEA Standard Employment Contract for Seafarers) in the amount of US\$ 110,000.00. The complaint likewise prayed for attorney's fees, plus moral and exemplary damages.<sup>[8]</sup>

In his position paper, Sunga claimed that the nature of his work involved manual repairs, which required the lifting and carrying of heavy equipment and materials. On January 5, 2007, while MT Sunway was docked at Singapore, he alleged that he, together with two other oilers, was assigned to change MT Sunway's globe valves. Aside from lifting the 200-kilogram globe valve from the lower floor of the engine room to its installing position, Sunga also has to bear its entire weight while it was being positioned by the other oilers. Unfortunately, one of the oilers lost his grip, causing the whole weight of the globe valve to crash on Sunga. At that instant, he felt his back snap, causing intense pain at his lower back which persisted for several days. Unable to even stand up just to go to the bathroom, Sunga was forced to request for repatriation.<sup>[9]</sup>

Virjen replied that it had no liability to pay Sunga any disability benefits under the CBA. Virjen claimed that the CBA requires that for permanent disability to be compensable, the disability should be the result of an accident incurred during the course of the seafarer's employment. Virjen argued that Sunga failed to present any proof that his disability was indeed the result of an accident. It was simply an illness or an anatomical defect. He had also failed to mention any details regarding the unfortunate event in his request for repatriation.<sup>[10]</sup>

### ***Ruling of the Labor Tribunals***

On May 30, 2008, the Labor Arbiter ruled in Sunga's favour. It ordered Virjen to pay Sunga his disability compensation benefits in the amount of US\$ 110,000.00 pursuant to the provisions of the parties' CBA. The Labor Arbiter ruled that Sunga's injury is not

merely an anatomical defect but a bodily harm brought upon by the performance of his duties and functions as fitter of the vessel. The result of the MRI revealing that Sunga had herniated disc is already a manifestation that the injury resulted from an accident, commonly incurred through falling or by lifting heavy objects. The pertinent portion of the Labor Arbiter's decision states:

WHEREFORE, premises considered, judgment is hereby rendered ordering respondents to jointly and severally liable:

- 1) To pay complaint the amount of US\$ 110,000.00, or its Philippine peso equivalent prevailing at the exchange rate at the time of payment, representing his disability benefits under the IBF-JUS-IMMF-AMOSUP Collective Bargaining Agreement;
- 2) To pay complainant an amount equivalent to ten (10%) percent of the total judgment award, as and for attorney's fees.

SO ORDERED.<sup>[11]</sup>

Virjen filed its appeal with the NLRC. In a Decision<sup>[12]</sup> dated December 21, 2009, the NLRC affirmed the findings of the Labor Arbiter. The NLRC however reduced the awards of disability benefits and attorney's fees to US\$ 105,000.00 and US\$ 10,500.00, respectively. Virjen filed a motion for reconsideration, which the NLRC denied in its Resolution<sup>[13]</sup> of February 26, 2010

### **Ruling of the CA**

Virjen filed a petition for *certiorari* with the CA, attributing grave abuse of discretion on the part of the NLRC. On February 25, 2009, the CA granted the petition. The CA reasoned that accident is an unintended and unforeseen injurious occurrence, something that does not occur in the usual course of events or could not be reasonably anticipated. According to the appellate court, the injury was not accidental; it is common knowledge that carrying heavy objects can cause injury and that lifting and carrying heavy objects are part of his duties as fitter. Thus, a back injury is reasonably anticipated. It cannot serve as basis, therefore, for Sunga to be entitled to disability benefits. There was no mishap, occurrence, or fortuitous event when the injury was incurred. Hence, the CA reversed the findings of the labor tribunals and applied the POEA Standard Contract for Seafarers disability benefits (which only requires that the seafarer's disability must be caused by an injury or illness that is work-related), instead of enforcing the parties' CBA.

Sunga's motion for reconsideration having been denied, it now come before us for a final review.

### **The Issues**

Sunga raises the following assignment of errors:

## I.

THE CA ERRED IN TAKING COGNIZANCE OF THE PETITION DESPITE THE WELL-ESTABLISHED RULE THAT FACTUAL FINDINGS OF LABOR OFFICIALS ARE ACCORDED NOT ONLY RESPECT BUT EVEN FINALITY.

## II.

WHETHER OR NOT THE CA ERRED IN RULING THAT SUNGA'S INJURY WAS NOT A RESULT OF AN ACCIDENT.

Sunga primarily argues that factual findings of labor officials who are deemed to have acquired expertise in matters within their respective jurisdiction are generally accorded not only respect but even finality and bind even the Supreme Court when supported by substantial evidence; that there was no reason for the CA to reverse the findings of the labor tribunals. More importantly, granting that the CA indeed has the power to annul judgments handed by the labor courts, the CA erred in finding that Sunga is not eligible for disability benefits under the parties' CBA since he had incurred injury, by accident, in the performance of his duties.

**The Court's Ruling**

**We find the petition meritorious.**

The assailed CA decision before us is challenged through a Rule 45<sup>[14]</sup> petition, a remedy limited to pure questions of law. In this mode of review, we have to examine the CA decision from the prism of whether it correctly determined the presence or absence of grave abuse of discretion in the NLRC decision before it, not necessarily on the basis of whether the NLRC decision on the merits of the case was strictly correct.  
<sup>[15]</sup>

Grave abuse of discretion, amounting to lack or excess of jurisdiction, has been defined as the capricious and whimsical exercise of judgment amounting to or equivalent to lack of jurisdiction. There is grave abuse of discretion when the power is exercised in an arbitrary or despotic manner by reason of passion or personal hostility, and must be so patent and so gross as to amount to an evasion of a positive duty or to a virtual refusal to perform the duty enjoined or to act at all in contemplation of law."<sup>[16]</sup>

Applying the doctrine in the present case, we fail to see any grave abuse of discretion on the part of the NLRC which would authorize the appellate court to substitute its own ruling over that of the NLRC. There was ample evidence to support the findings of the NLRC. The CA, in a Rule 65<sup>[17]</sup> petition, is limited to a simple review of whether there existed grave abuse of discretion; the CA should not concern itself with the determination of whether the NLRC, after evaluation of the evidence presented before it, had correctly ruled on the merits of the case. The question of intrinsic merits is an

issue best left to the labor tribunals which are deemed to have mastery over the subject matter.

As found by both the NLRC and the Labor Arbiter, Sunga's injury was the result of the accidental slippage in the handling of the 200-kilogram globe valve which triggered Sunga's back pain;<sup>[18]</sup> the weight of the globe valve, coupled with the abruptness of the fall, explain why the injury was so severe as to render Sunga immobile.<sup>[19]</sup> While indeed Sunga had not explained in the request for repatriation the proximate cause of the injury, there was enough circumstantial evidence to substantiate the claim. We have held that circumstantial evidence is founded on experience, observed facts and coincidences establishing a connection between the known and proven facts and the facts sought to be proved.<sup>[20]</sup>

At any rate, this issue had already been resolved in the proceedings before the labor tribunals. Virjen failed to deny the facts as narrated by Sunga in his pleadings.<sup>[21]</sup> The CA, too, was conclusive in its ruling regarding the incident and merely discussed what matters shall constitute as an accident.<sup>[22]</sup>

Findings of fact of the Court of Appeals, particularly where it is in absolute agreement with that of the NLRC and the Labor Arbiter, are accorded not only respect but even finality and are deemed binding upon this Court so long as they are supported by substantial evidence.<sup>[23]</sup> Thus, the basic issue left for us to resolve is the determination of whether the CA found grave abuse of discretion whose correction called for the consideration of the incident at the MT Sunway vessel as an accident.

As defined in Black's Law Dictionary,<sup>[24]</sup> "accident," is "[a]n unintended and unforeseen injurious occurrence; something that does not occur in the usual course of events or that could not be reasonably anticipated, x x x [a]n unforeseen and injurious occurrence not attributable to mistake, negligence, neglect or misconduct." Similarly, the Philippine Law Dictionary<sup>[25]</sup> defines the word "accident" as "[t]hat which happens by chance or fortuitously, without intention and design, and which is unexpected, unusual and unforeseen."

In deciding this case, we are not unaware of the doctrine discussed in the case of *NFD International Manning Agents, Inc. v. Illescas*,<sup>[26]</sup> where the employee, Esmeraldo Illescas (**Illescas**), also a seafarer, was ordered to carry 25 fire hydrant caps from the deck to the engine workshop, then back to the deck to refit the caps. While carrying a heavy basketful of fire hydrant caps, Illescas felt a sudden snap on his back, with pain that radiated down to the left side of his hips. He immediately informed the ship captain about his condition, and was advised to take pain relievers. As the pain was initially tolerable, he continued with his work. After a few days, the pain became severe, and Illescas suffered difficulty in walking.

Illescas also claimed for the more favorable disability benefits stated in the CBA, as opposed to the benefits being offered by the POEA Standard Employment Contract for Seafarers. But the Court denied his claim, ruling that the snap on the back of Illescas was not an accident but an injury sustained from carrying the heavy basketful of fire

hydrant caps, which injury resulted in his disability. The Court reasoned out that the injury cannot be said to be the result of an accident, *i.e.*, an unlooked for mishap, occurrence, or fortuitous event, because the injury resulted from the performance of a duty. Although Illescas may not have expected the injury, yet, it is common knowledge that carrying heavy objects can cause back injury. Hence, the injury cannot be viewed as unusual under the circumstances, and is not synonymous with the term "accident."  
[27]

While on its face, the facts seemed similar, they are in fact different, thus leading us to decide the present case differently. In *Illescas*, no unusual, fortuitous, unexpected or unforeseen event took place or was reported. Illescas merely went about his normal duties; he transported fire hydrant caps from the deck to the engine workshop, then back to the deck to refit the caps. The sudden snap Illescas felt on his back while carrying the fire hydrant caps thus could not, by itself, qualify as an accident.  
[28]

In the present case, Sunga did not incur the injury while solely performing his regular duties; an intervening event transpired which brought upon the injury. To repeat, the two other oilers who were supposed to help carry the weight of the 200-kilogram globe valve lost their grasp of the globe valve. As a result, Sunga's back snapped when the entire weight of the item fell upon him. The sheer weight of the item is designed not to be carried by just one person, but as was observed, meant to be undertaken by several men and expectedly greatly overwhelmed the physical limits of an average person. Notably, this incident cannot be considered as foreseeable, nor can it be reasonably anticipated. Sunga's duty as a fitter involved changing the valve, not to routinely carry a 200-kilogram globe valve singlehandedly. The loss of his fellow workers' group was also unforeseen in so far as Sunga was concerned.

In *Jarco Marketing Corporation, et al., v. Court of Appeals*, we ruled that an accident pertains to an unforeseen event in which no fault or negligence attaches to the defendant. It is "a fortuitous circumstance, event or happening; an event happening without any human agency, or if happening wholly or partly through human agency, an event which under the circumstances is unusual or unexpected by the person to whom it happens."  
[29]

Since Sunga encountered an accident on board MT Sunway, the CA thus grossly misappreciated and misread the ruling of the NLRC, leading the appellate court to find a grave abuse of discretion sufficient for a reversal of the NLRC ruling. In other words, as the NLRC found, Sunga's disability benefits should fall within the coverage of the parties' CBA, which provides:

## Article 28: Disability

28.1 **A seafarer who suffers permanent disability as a result of an accident** whilst in the employment of the Company regardless of fault, including accidents occurring while traveling to or from the ship, and whose ability to work as a seafarer is reduced as a result thereof, but excluding permanent disability due to willful acts, shall in addition to sick pay, be

entitled to compensation according to the provisions of this Agreement.  
(emphasis ours)<sup>[30]</sup>

x x x x

In sum, we find that the NLRC did not abuse its discretion. It arrived at a proper decision after fully appreciated of the parties' arguments and carefully considering the presented evidence. Thus, there was no basis for the CA's conclusion that the NLRC committed grave abuse of discretion.

**WHEREFORE**, we hereby **GRANT** the petition. The Court of Appeals' Decision dated February 25, 2007 in CA-G.R. SP No. 113661, and its Resolution dated September 14, 2011 are **SET ASIDE**. Accordingly, the December 21, 2009 Decision of the National Labor Relations Commission is hereby **REINSTATED**.

**SO ORDERED.**

*Carpio, (Chairperson), Del Castillo, Perez, and Perlas-Bernabe, JJ., concur.*

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[1] Penned by Associate Justice Ramon R. Garcia, and concurred in by Associate Justices Rosmari D. Carandang and Justice Manuel M. Barrios.

[2] *Rollo*, p. 43.

[3] *Ibid.*

[4] *Id.* at 44.

[5] *Ibid.*

[6] *Id.* at 45.

[7] *Ibid.*

[8] *Ibid.*

[9] *Id.* at 46.

[10] *Ibid.*

[11] *Id.* at 82-83.

[12] *Id.* at 61-74.

[13] Id. at 73-74.

[14] Rules of Court.

[15] *Montoya v. Transmed*, G.R. No. 183329, August 27, 2009, 597 SCRA 334.

[16] *Bani Rural Bank, Inc., et. al., v. De Guzman, et al.*, G.R. No. 170904, November 13, 2013.

[17] Supra note 14.

[18] Id. at 46.

[19] Id. at 67.

[20] *People v. Ayola*, G.R. No. 138923, September 4, 2001.

[21] *Rollo*, p. 80.

[22] Id. at 55.

[23] *Park Hotel v. Soriano*, 680 SCRA 328.

[24] Eighth edition, © 2004.

[25] F.B. Moreno, Third Edition, ©1988.

[26] G.R. No. 183054, September 29, 2010.

[27] Illescas.

[28] Ibid.

[29] G.R. No. 129792, December 21, 1999.

[30] *Rollo*, pp. 51-52.



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