

810 Phil. 704

## SECOND DIVISION

[ G.R. No. 204262, June 07, 2017 ]

**MARIO C. MADRIDEJOS, PETITIONER, VS. NYK-FIL SHIP  
MANAGEMENT, INC., RESPONDENT.**

### DECISION

#### LEONEN, J.:

Illnesses not listed as an occupational disease under Section 32 of the 2000 Philippine Overseas Employment Administration Amended Standard Terms and Conditions Governing the Employment of Filipino Seafarers on Board Ocean-Going Vessels are disputably presumed to be work-related.<sup>[1]</sup> However, seafarers must prove through substantial evidence the correlation between their illness and the nature of their work for their claim for disability benefits to prosper.

This Petition for Review on Certiorari<sup>[2]</sup> assails the Resolutions dated September 26, 2012<sup>[3]</sup> and November 6, 2012<sup>[4]</sup> of the Court of Appeals in CA-G.R. SP No. 125529. The Court of Appeals ruled that the National Labor Relations Commission did not commit grave abuse of discretion in dismissing Mario Madridejos' (Madridejos) complaint for disability benefits.<sup>[5]</sup>

Petitioner Madridejos was a Filipino seafarer<sup>[6]</sup> hired by respondent NYK-Fil Ship Management, Inc. (NYK-FIL),<sup>[7]</sup> a registered local manning agency operating by virtue of Philippine laws<sup>[8]</sup> for its foreign principal, International Cruise Services, Limited.<sup>[9]</sup>

On March 25, 2010, Madridejos signed an employment contract with NYK-FIL as a Demi Chef for the vessel "Crystal Symphony/Serenity."<sup>[10]</sup> The employment contract was effective for a period of 10 months with a basic monthly salary of US\$1,055.00, an overtime rate of US\$4.00 per hour beyond 70 hours, and vacation leave with pay amounting to 10% of his total income.<sup>[11]</sup>

On April 10, 2010, Madridejos commenced to work aboard the vessel.<sup>[12]</sup> Two (2) weeks after, or on April 28, 2010, he claimed that he suddenly slipped on a metal stairway and fell down, hitting his abdomen and chest on a metal pipe.<sup>[13]</sup> He was brought to the ship doctor and was diagnosed to have a "sebaceous cyst to the right of the umbilicus."<sup>[14]</sup>

The next day, Madridejos was treated at Spire Southampton Hospital in Hampshire, England.<sup>[15]</sup> Under a local anesthesia, his cyst was removed, and the lesion was closed

with three (3) stitches.<sup>[16]</sup>

After two (2) months, or on July 5, 2010, NYK-FIL terminated Madridejos' services through its foreign principal.<sup>[17]</sup> The notice of termination<sup>[18]</sup> read:

TO: MR. MARIO MADRIDEJOS, #324 D/CHEF DE PARTIE MAIN GALLEY

FROM: HERBERT DOPPLER, HOTEL DIRECTOR VICTOR CONCEICAO, FOOD AND BEVERAGE MANAGER

CC: CAPTAIN ICMA, OSLO  
VICE CAPTAIN EXECUTIVE CHEF/CREW ACCOUNTANT

DATE: JULY 5, 2010

RE: TERMINATION OF CONTRACT WITH INTERNATIONAL CRUISE SERVICES LIMITED

We regret to inform you that we have made the decision to discontinue your employment agreement. Hence, this letter serves as a formal, written termination of your contract with [International Cruise Services, Limited].

With reference to Item No. 7 in your "Employment Agreement", which states, "...First time EMPLOYEES shall be subject to a probationary period of three (3) months following commencement of service during which this AGREEMENT can be terminated by either party without cause at any time upon fourteen (14) days prior written notice", you are hereby given immediate notice effective today, Monday, July 5, 2010, which falls within the parameters outlined in your contract.

Your salary will be paid accordingly through and including July 18, 2010. Your sign off will take place in Istanbul, Turkey, on Monday, July 5, 2010. A flight ticket has been arranged to your home airport in Manila, Philippines, and the company will shoulder your repatriation expenses.<sup>[19]</sup>

Madridejos was repatriated to the Philippines on July 6, 2010.<sup>[20]</sup>

Madridejos insisted that he did not finish his employment contract with NYK-FIL due to his unwanted health condition.<sup>[21]</sup> "Not being at fault. . . for the pre-termination of his employment contract, [he] made demands upon [NYK-FIL] ... to pay his disability benefits."<sup>[22]</sup>

Madridejos also averred that after his medical procedure in Spire Southampton Hospital, he was advised to be sent back to the Philippines "for further evaluation and treatment."<sup>[23]</sup> In support, he attached the letter of Dr. James P. Byrne (Dr. Byrne), the doctor who excised his cyst in Spire Southampton Hospital. The letter read:

Dr. A. Fedorowicz  
Ships Surgeon  
M/S Crystal Serenity

Dear Dr. Fedorowicz,

Re: Mr. Mario MADRIDEJOS - d.o.b. 04/09/61  
C/o Denholm Ship Agency Ltd Liner House, Test Road, Eastern Docks  
Southampton Hampshire SO4 3GE

Thank you very much for referring along this gentleman who works on your ship who has a sebaceous cyst to the right of the umbilicus. I explained the diagnosis to this gentleman in clinic today. He has had symptoms of aching and discomfort and we therefore proceeded to excise this lesion under local anaesthetic at the Spire Hospital Southampton today. The diagnosis of sebaceous cyst was confirmed and he has three interrupted nylon sutures to close the wound.

I would be very grateful if you could arrange for the sutures to be removed in approximately ten days' time and I have discharged him back to your care.

Yours sincerely

*(Dictated by Mr. Byrne but sent unsigned to avoid delay)*<sup>[24]</sup>

On July 6, 2010,<sup>[25]</sup> he arrived in Manila, Philippines. The following day, he allegedly reported to NYK-FIL "for a medical referral to the company doctor." However, he did not get any referral letter since he was told that his illness was not work-related.<sup>[26]</sup>

Due to persistent symptoms, he was purportedly constrained to undergo medical examinations by Physician-Surgeon Dr. Aylmer F. España (Dr. España) from Metropolitan Medical Center. He was also prescribed with medicines for his sebaceous cyst.<sup>[27]</sup> On August 26, 2010, Dr. España issued a medical certificate which stated:

This is to certify that Mr. Mario Madrideojos, male, married, a resident of Paete, Laguna, was seen and examined in this clinic from July 7, 2010 up to present, with the following findings and/or diagnosis:

- Sebaceous Cyst (Right Umbilicus)

Physical findings ha[ve] been noted with POEA Disability Grade 7-Moderate Residuals of Disorders of the Intra-abdominal organs, but due to the severity and deterioration of injury/illness[,] he is entitled under P.O.E.A. Disability Grade 1 for Severe Residuals of Impairment of intra-abdominal organs which requires aid and attendance that will unable [sic] worker to seek any gainful employment.

Due to his medical condition[,] he is permanently unfit for further sea service in any capacity. Such injury/illnesses are work[-]related since exposed to toxic and hazardous material. Continuous medications and follow-up is advised . . . [28]

Due to his alleged "very slow healing process," the four (4) months of medical coverage included in his employment contract with NYK-FIL expired.[29] However, he still continued his medication as advised by Dr. España.[30]

Madrdejós claimed that he also engaged the services of Dr. Eduardo Yu (Dr. Yu), an internist and specialist at Mary Chiles General Hospital.[31] Thus, another medical certificate was issued in his favor which provided:

This is to certify that I have examined Mr. Mario Madrdejós, male[,] married, in this clinic on September 16, 2010 and up to the present with following finding[s] and diagnosis of Sebaceous Cyst (Right Umbilicus) [.]

Physical findings ha[ve] been noted with POEA Disability Grade 7-Moderate Residuals of Disorders of the Intra-abdominal Organ but due to the [s]everity and deterioration of injury/illness, he is entitled under P.O.E.A Disability Grade 1 for Severe Residuals of Impairment of Intra-Abdominal organ which requires aid and attendance that will unable [sic] worker to seek any gainful employment.

Due to his medical condition[,] he is permanently unfit for further sea service in any capacity. Such injury/illness are work[-]related since exposed to toxic and hazardous materials. Advised continuous medications and follow-up check-up[.] [32]

Madrdejós argued that NYK-FIL ignored his repeated demands.[33] He was then prompted to file a complaint "for disability benefits, payment of medical expenses, damages, and attorney's fees"[34] against NYK-FIL before the labor arbiter.[35]

NYK-FIL denied that Madrdejós was repatriated due to his sebaceous cyst. It asserted that this was not the reason since the cyst had been excised completely during his operation at Spire Southampton Hospital. Moreover, Madrdejós even resumed his job "for the next two [2] months without any complaint or report of recurrence." [36]

NYK-FIL also insisted that Madrdejós was not entitled to any disability claim since there was allegedly no disability to address. Madrdejós only underwent an excision under a local anesthesia, which did not, in any way, "render him incapable to return to his previous work as a seafarer." [37]

NYK-FIL surmised that Madrdejós merely filed a complaint as "an afterthought or an act of retribution . . . due to the early termination of his employment contract." [38] NYK-FIL purportedly terminated Madrdejós' services properly pursuant to "Item 7" [39] of their employment agreement. [40]

NYK-FIL concluded that Madrideojos' illness was not work-related since there was no reasonable correlation between his cyst and his functions as a Demi Chef.<sup>[41]</sup> A cyst is merely caused by "blocked sebaceous glands, swollen hair follicles, and excessive testosterone production."<sup>[42]</sup>

In his August 11, 2011 Decision,<sup>[43]</sup> Labor Arbiter Gaudencio P. Demaisip, Jr. (Labor Arbiter Demaisip) found that Madrideojos' illness "was incurred during the term of his employment contract," making it "compensable."<sup>[44]</sup> He affirmed and quoted Madrideojos' explanation, which stated:

As aptly pointed out by the Supreme Court explaining the doctrine of "**Welfare Legislation**", thus:

Compensability of illness. Under the relevant contract: Compensability of the illness or death of [a] seaman need not depend on whether the illness was total or partial permanent disability. It is sufficient that the illness occurred during the effectivity of the employment contract.

Even assuming that the ailment was contracted prior to employment, this would not deprive the seaman of compensation benefits. For what matters is that his work had contribute[d], even in a small degree, to the development of the disease and in bringing about his Intra-abdominal organs which requires aid and attendance that will unable [sic] workers to seek gainful employment.

Due to his medical condition[,], he is permanently unfit for further sea service in any capacity. Such injury/illnesses are work[-]related since exposed to toxic and hazardous materials. Continuous medications and follow[-]up is advised.

This certification is being issued for whatever purpose it may serve him best.<sup>[45]</sup> (Emphasis in the original)

Labor Arbiter Demaisip emphasized, however, that since there was no evidence to prove the severity of Madrideojos' illness, he should only be given a Disability Grade of 7.<sup>[46]</sup> The dispositive portion of the decision read:

IN VIEW OF THE FOREGOING, respondent Agency is directed to pay the complainant an amount equivalent to Grade 7 or US\$ 20,900.

SO ORDERED.<sup>[47]</sup>

Both parties assailed the decision of Labor Arbiter Demaisip before the National Labor Relations Commission.<sup>[48]</sup> Madrideojos asserted that Labor Arbiter Demaisip "erred in assessing him with only a Grade 7 disability" and claimed that "it should have been Grade 1 or permanent/total disability."<sup>[49]</sup> On the other hand, NYK-FIL averred that Labor Arbiter Demaisip failed to consider the termination of contract as the real cause behind Madrideojos' repatriation.<sup>[50]</sup>

The National Labor Relations Commission, ruled in favor of NYK-FIL in its March 30, 2012 Decision.<sup>[51]</sup>

The National Labor Relations Commission found Madrideojos' story as "unnatural."<sup>[52]</sup> His allegation that he was advised to be repatriated for further treatment in the Philippines was not sufficiently proven.<sup>[53]</sup> Based on Madrideojos' discharge letter from Hampshire, England, his operation merely required three (3) stitches. Hence, he could not have been advised to pursue further treatment in the Philippines since his operation was only a minor one.<sup>[54]</sup>

Additionally, there was nothing in Madrideojos' Position Paper<sup>[55]</sup> or Reply<sup>[56]</sup> that he complained of any pain, complication, or discomfort after his operation, indicating that "everything went well."<sup>[57]</sup> Similarly, he never showed any ship record regarding his alleged accident.<sup>[58]</sup> Therefore, the National Labor Relations Commission concluded that Madrideojos' claim was only an afterthought and reasoned that:

Well then, knowing fully [sic] well that he was repatriated on July 6, 2010 because his service contract had already been terminated, why then as he alleged would he go to his local agency for a medical referral to their company doctor? He said that he was denied. But of course; in the first place **he was not their employee anymore, but more importantly he was not even sick as he had been working quite well the past several months. But now he is back, and sad part of it is that he was out of work. So he opted for the cyst story.** It is not really difficult to see, however that Madrideojos' claim of being sick is an afterthought.<sup>[59]</sup> (Emphasis supplied)

The National Labor Relations Commission ruled further that Madrideojos' cyst was not work-related since it was "simply a slow-growing pea-size[d] sac growth under the skin" that grew as a consequence of infection and caused "clogging of sebaceous glands."<sup>[60]</sup> "It can develop in any part of the body, and at times it just simply disappears."<sup>[61]</sup> The dispositive portion of the National Labor Relations Commission's decision provided:

**WHEREFORE**, premises considered, complainant Madrideojos' appeal is hereby DISMISSED for lack of merit, while that of respondents' is granted, the assailed decision is reversed and set aside, and the complaint herein for disability benefits is likewise DISMISSED for lack of merit.

**SO ORDERED.**<sup>[62]</sup> (Emphasis in the original)

On April 30, 2012, the National Labor Relations Commission's Resolution<sup>[63]</sup> denied Madrideojos' Motion for Reconsideration.<sup>[64]</sup>

On July 9, 2012, Madrideojos filed a Petition for Certiorari<sup>[65]</sup> before the Court of Appeals claiming that the National Labor Relations Commission committed grave abuse

of discretion amounting to lack or excess of jurisdiction by disregarding the pertinent provisions of the Philippine Overseas Employment Agency Employment Contract.<sup>[66]</sup> Moreover, he argued that the National Labor Relations Commission gave more weight to NYK-FIL's "purely gratuitous and convoluted assertions" rather than the facts already proven.<sup>[67]</sup>

The Court of Appeals dismissed<sup>[68]</sup> Madrideo's petition and ruled that the National Labor Relations Commission had judiciously denied Madrideo's claim for disability benefits.<sup>[69]</sup>

The Court of Appeals found that sometime in Madrideo's first or second month of employment, he suffered from a severe stomach ache while on board the vessel.<sup>[70]</sup> All the doctors involved agreed that his severe stomach ache was due to a "Sebaceous Cyst to the right Umbilicus," which was already removed on April 29, 2010.<sup>[71]</sup>

Hence, his repatriation in July 2010 was not due to his medical condition but due to the expiration of his contract as a probationary employee.<sup>[72]</sup> Similarly, the Court of Appeals also confirmed National Labor Relations Commission's finding that Madrideo's cyst was not work-related.<sup>[73]</sup>

On November 6, 2012, the Court of Appeals' Resolution<sup>[74]</sup> denied Madrideo's Motion for Reconsideration.<sup>[75]</sup>

Hence, this Petition for Review on Certiorari<sup>[76]</sup> was filed before this Court.

Madrideo seeks compensation for his sebaceous cyst as an occupational disease.<sup>[77]</sup> He states that he has already presented substantial evidence to prove his claim that there was a "reasonable connection between his work and the cause of his illness."<sup>[78]</sup> He holds that several medical records and reports have shown that his cyst was aggravated by the conditions of his work as a seaman.<sup>[79]</sup>

He asserts that his cyst has "impaired his [a]bdomen and upper extremities [causing his] internal organs [to] malfunction."<sup>[80]</sup> He insists that he "suffer[ed] [from] a physical injury in his [u]pper [e]xtremities . . . [due to] an accident while doing grinding works ... on board the vessel."<sup>[81]</sup> Collectively, all these show that his condition was totally work-related, making it compensable.<sup>[82]</sup>

Moreover, his pre-employment medical record was stamped with "*Fit to work*."<sup>[83]</sup> This proves that he only incurred the cyst during his employment and it worsened on board the vessel.<sup>[84]</sup>

He claims that his cyst should be regarded as Permanent Disability Grade 1 because his condition has hindered him to return to work as a seafarer as he is now regularly required to undergo physiotherapy.<sup>[85]</sup>



Further, Madridejos avers that neither he nor labor tribunals and courts are bound by the medical report of NYK-FIL's company-designated physician; the inherent merits of the case should be considered.<sup>[86]</sup>

He maintains that NYK-FIL's refusal to heed his demands was induced by "bad faith and malice."<sup>[87]</sup> He then concludes that the National Labor Relations Commission committed grave abuse of discretion in disregarding his disability compensation, deleting moral damages, and not awarding attorney's fees in his favor.<sup>[88]</sup>

On January 21, 2013, this Court issued a Resolution<sup>[89]</sup> requiring NYK-FIL to comment on the Petition.

In its Comment,<sup>[90]</sup> NYK-FIL belies Madridejos' claim that he was involved in an accident while lifting kitchen equipment on board the vessel.<sup>[91]</sup> It claims that Madridejos' story was "bare, self-serving, and hearsay as there was no such incident that ever happened on board the vessel and no record of such alleged occurrence exists."<sup>[92]</sup>

Furthermore, his sebaceous cyst was curable.<sup>[93]</sup> Thus, it was even completely excised, enabling him "to work for the next two (2) months . . . without any complaint[.]"<sup>[94]</sup> Additionally, the cyst was already removed under local anesthesia which allegedly connotes that:

By local anesthesia, it simply means that the operation or excision was merely superficial or skin-deep. It is nothing more serious than excision or extraction of boil or "*pigsa*" in the vernacular. The only difference of the sebaceous cyst from boil, is that in the former, what is being extracted is sebum/keratin or "*sebo*" in the vernacular and in the latter is pus or "*nana*" in the vernacular. This explains why only local anesthesia is necessary.<sup>[95]</sup>

NYK-FIL insists that it has terminated Madridejos' services pursuant to Item 7 of his Employment Agreement and not because of his illness.<sup>[96]</sup> "[H]e was repatriated . . . three (3) months after his cyst was removed."<sup>[97]</sup> His silence on the events that transpired between his operation and repatriation confirms NYK-FIL's claim that "[Madridejos] was not repatriated for medical reason[s] but rather due to a valid termination of... [his] probationary employment."<sup>[98]</sup>

Moreover, his assertion that he reported to the local agency to seek medical referral is untrue.<sup>[99]</sup> Hence, his non-compliance with the compulsory post-employment medical examination leads to the forfeiture of the benefits provided for under Philippine Overseas Employment Agency Standard Employment Contract.<sup>[100]</sup>

Finally, it claims that Madridejos is not entitled to moral damages, exemplary damages, or attorney's fees since NYK-FIL did not act in bad faith.<sup>[101]</sup>

On June 3, 2013, this Court issued a Resolution<sup>[102]</sup> requiring petitioner to file his



Reply to the Comment.

In his Reply,<sup>[103]</sup> Madridejos claims that NYK-FIL made him appear that he was a "'first time employee' ... on probationary period for three (3) months."<sup>[104]</sup> As indicated in the Overseas Filipino Workers information record of the Philippine Overseas Employment Agency, his employment was merely a re-engagement contract with NYK-FIL.<sup>[105]</sup> Thus, he could not be under probation.<sup>[106]</sup>

He maintains that a day after his repatriation, he immediately reported to the manning agency to ask for "referral to the company-designated physician."<sup>[107]</sup> Technically, he was already under the company's consideration.<sup>[108]</sup> However, they still failed to conduct his post-employment medical examination insisting that he was not really sick at all.<sup>[109]</sup>

On October 21, 2013, this Court issued a Resolution<sup>[110]</sup> requiring the parties to submit their Memoranda.<sup>[111]</sup>

NYK-FIL maintains that Madridejos is not entitled to disability benefits since he was validly terminated pursuant to the terms of his employment contract.<sup>[112]</sup>

On the other hand, Madridejos denies that the termination of his probationary contract caused his repatriation. He claims that due to his sebaceous cyst, "he could no longer effectively perform" his job as a Demi Chef; thus, he was terminated.<sup>[113]</sup>

The Court of Appeals, however, ruled in favor of NYK-FIL. It affirmed the National Labor Relations Commission's finding<sup>[114]</sup> that Madridejos was repatriated in 2010 not for medical reasons but due to the expiration of his contract as a probationary employee.<sup>[115]</sup>

The sole issue for this Court's resolution is Madridejos' entitlement to disability benefits.

This petition lacks merit.

## I

Madridejos cannot claim disability benefits since he was not medically repatriated.

Since there are conflicting claims in this case, there is necessarily an attack on the factual findings of the labor tribunals and of the Court of Appeals.

As a rule, we only examine questions of law in a Rule 45 petition.<sup>[116]</sup> Thus, "we do not re-examine conflicting evidence, re-evaluate the credibility of witnesses, or substitute the findings of fact of the [National Labor Relations Commission], an administrative body that has expertise in its specialized field."<sup>[117]</sup> Similarly, we do not replace our "own judgment for that of the tribunal in determining where the weight of evidence lies or what evidence is credible."<sup>[118]</sup> The factual findings of the National Labor Relations

Commission, when confirmed by the Court of Appeals, are usually "conclusive on this Court."<sup>[119]</sup>

In this case, we do not see any reason to deviate from the general rule.

Madridejos insists that he could not be on probationary status because he was merely "re-engaged" as evinced by his Overseas Filipino Worker Information.<sup>[120]</sup> However, "[t]he employment of seafarers and its incidents are governed by the contracts they sign every time they are hired or re-hired. These contracts have the force of law between the parties as long as their stipulations are not contrary to law, morals, public order or public policy."<sup>[121]</sup> Given that he submitted himself with the terms of his contract, NYK-FIL may validly terminate his services pursuant to their agreed terms.

Moreover, Madridejos cannot feign ignorance<sup>[122]</sup> about his termination letter,<sup>[123]</sup> which shows his acquiescence through his signature. Also in his Reply<sup>[124]</sup> to NYK-FIL's Position Paper before the National Labor Relations Commission, he explicitly recognized the termination of his contract stating:

[I]n fact, several days **prior to the termination of his contract**, complainant was involved in an accident while lifting and carrying kitchen equipment aboard the vessel, he accidentally slipped in a metal stairway.  
<sup>[125]</sup> (Emphasis supplied)

Similarly, a perusal of the records shows that he contested neither the existence of the termination letter nor the authenticity of his signature on it.<sup>[126]</sup>

## II

Madridejos asserts that after the excision of his cyst, he was advised to be repatriated back to the Philippines for further treatment and evaluation, citing the letter of Dr. Byrne.

However, there is nothing in the discharge letter to show that Dr. Byrne explicitly advised Madridejos to go back to the Philippines for further treatment. On the contrary, the letter even confirmed that the excision was merely a minor operation done under a local anesthesia. Hence, the lesion only required three (3) stitches for which Madridejos was immediately discharged back to the vessel after.<sup>[127]</sup> This bolsters NYK-FIL's claim that Madridejos was not medically repatriated.

Further, the records<sup>[128]</sup> were bereft of any sign that Madridejos was having issues following his operation, indicating that everything was well after the procedure.<sup>[129]</sup> As insisted by NYK-FIL, Madridejos was able to regularly work for the next two (2) months after the excision.<sup>[130]</sup>

Madridejos' passport also shows that he arrived in the Philippines on July 6, 2010<sup>[131]</sup> or almost three (3) months after his operation on April 29, 2010.<sup>[132]</sup> As asserted by

NYK-FIL, Madridejos kept silent on the events that happened during the time between his operation and repatriation.<sup>[133]</sup> If he was really medically repatriated, then he should have been immediately sent back to the Philippines after his operation. However, he only disembarked from the vessel almost three (3) months after such operation.

Furthermore, Madridejos failed to present any ship record or other pertinent proof to show that he was involved in an accident.<sup>[134]</sup> His assertions were not corroborated by any written report or testimonies of witnesses.

### III

Even assuming that Madridejos was medically repatriated, he still cannot claim for disability benefits since his sebaceous cyst was not work-related.

The Philippine Overseas Employment Agency Standard Employment Contract, which is deemed integrated into Madridejos' employment contract with NYK-FIL, governs his claim for disability benefits.<sup>[135]</sup> While these guidelines have been recently amended,<sup>[136]</sup> Philippine Overseas Employment Agency Memorandum Circular No. 9<sup>[137]</sup> applies in this case since Madridejos signed his contract with NYK-FIL on March 25, 2010.<sup>[138]</sup>

The requisites for compensable illnesses are provided for under Section 20(B) of Philippine Overseas Employment Agency Memorandum Circular No. 9, Series of 2000:

#### **Section 20: COMPENSATION AND BENEFITS**

. . . .

#### **B. 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 . . .  
(Emphasis supplied)

Madridejos was diagnosed with sebaceous cyst to the right of his umbilicus during the effectivity of his contract as evinced by the findings<sup>[139]</sup> of Dr. Byrne. Conformably, Labor Arbiter Demaisip affirmed that Madridejos' illness was acquired during the term of his employment contract.<sup>[140]</sup> Disputed, however, is whether Madridejos' sebaceous cyst was work-related.

In resolving a Rule 45 Petition for Review on Certiorari of a Court of Appeals' Resolution in a Rule 65 Petition for Certiorari, this Court is bound to decide "whether the Court of Appeals was correct in establishing the presence or absence of grave abuse of discretion."<sup>[141]</sup> In this case, therefore, we determine whether the Court of Appeals properly ruled that the National Labor Relations Commission did not commit grave abuse of discretion in denying Madridejos' claim for disability benefits.<sup>[142]</sup>

Madridejos insists that his sebaceous cyst was work-related and compensable since the risk of acquiring it increased due to his working conditions.<sup>[143]</sup> NYK-FIL opposes, claiming that Madridejos' cyst was not attributable to the nature of his job.<sup>[144]</sup> It asserts that Madridejos failed to show "even a single realistic connection" between his illness and his employment.<sup>[145]</sup> NYK-FIL says that Madridejos never met any accident and there was no medical or accident report to prove its occurrence.<sup>[146]</sup>

A work-related illness is "any sickness resulting to disability or death as a result of an occupational disease listed under **Section 32-A** with the conditions set therein satisfied."<sup>[147]</sup>

Section 32-A provides:

### **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.

The following diseases are considered as occupational when contracted under working conditions involving the risks described herein.

A sebaceous cyst is not included under Section 32<sup>[148]</sup> or 32-A<sup>[149]</sup> of the 2000 Philippine Overseas Employment Agency Standard Employment Contract. However, the guidelines expressly provide that those illnesses not listed in Section 32 "are **disputably presumed** as work[-]related."<sup>[150]</sup>

Similarly, for an illness to be compensable, "it is not necessary that the nature of the employment be the sole and only reason for the illness suffered by the seafarer."<sup>[151]</sup> It is enough that there is "a **reasonable linkage** between the disease suffered by the employee and his work to lead a rational mind to conclude that his work may have contributed to the establishment or, at the very least, aggravation of any pre-existing condition he might have had."<sup>[152]</sup>

The disputable presumption implies "that the non-inclusion in the list of compensable diseases/illnesses does not translate to an absolute exclusion from disability benefits."<sup>[153]</sup> Similarly, "the disputable presumption does not signify an automatic grant of compensation and/or benefits claim."<sup>[154]</sup> There is still a need for the claimant to

establish, through substantial evidence, that his illness is work-related.<sup>[155]</sup>

"Substantial evidence is more than a mere scintilla."<sup>[156]</sup> It should attain "the level of relevant evidence that a reasonable mind might accept as sufficient to support a conclusion."<sup>[157]</sup>

Madridejos cannot solely rely on the disputable presumption.<sup>[158]</sup> For his failure to substantiate his claim that his cyst was either work-related or work-aggravated, this Court cannot grant him relief.<sup>[159]</sup>

Accordingly, the disputable presumption "does not allow him to just sit down and wait for respondent company to present evidence to overcome the disputable presumption of work-relatedness of the illness."<sup>[160]</sup> Concomitantly, there is still a need for him to corroborate his claim for disability benefits.<sup>[161]</sup>

"A sebaceous cyst is a small, dome-shaped cyst or sac that develops in the skin. It is filled with a thick, greasy, cream-cheese like substance (called sebaceous material) that slowly fills up the cyst over many years."<sup>[162]</sup> It occurs "in a hair follicle, which has a small duct opening onto the surface of the skin. The duct becomes plugged with a sticky material and the secretions from the cyst gradually build up and cause it to expand."<sup>[163]</sup>

Sebaceous cysts "are usually harmless, but the main risk is infection by bacteria." In which case, the cysts "become enlarged, red, inflamed and tender."<sup>[164]</sup> Also, the cysts may later rupture and discharge "a foul-smelling pus."<sup>[165]</sup>

An "obtrusive or unsightly" sebaceous cyst can be excised through "a simple operation for which you will be given a local anaesthetic" where "a simple incision is made in the skin overlying the cyst, the sac is removed and the wound is closed with stitches."<sup>[166]</sup>

The findings of the National Labor Relations Commission, as affirmed by the Court of Appeals, are consistent with the nature of a sebaceous cyst:

It is simply a slow-growing pea-size[d] sac growth under the skin that develops as a result of infection, clogging of sebaceous glands (oil gland), or around foreign bodies, such as earrings. It can develop in any part of the body, and at times it just simply disappears.<sup>[167]</sup>

Madridejos insists that he suffered an injury in his upper extremities due to an accident that he had encountered "while doing grinding works . . . on board the vessel."<sup>[168]</sup> He alleges that this incident had caused the development of his cyst.<sup>[169]</sup>

Surprisingly, however, Madridejos argued differently in his Memorandum<sup>[170]</sup> by saying that, as found by the National Labor Relations Commission, a sebaceous cyst could "develop as [a] result of [an] infection."<sup>[171]</sup> He then shifted to a new contention blaming the vessel's unhealthy environment as the cause of an infection which might

have probably triggered the occurrence of his sebaceous cyst.<sup>[172]</sup>

Madrdejós has not enumerated either the scope of his job or his regular tasks as a Demi Chef that would supposedly show the correlation of his employment to the development of his cyst. Similarly, he has failed to provide this Court with an overview of significant working conditions that might have possibly contributed to the acquisition or aggravation of his illness. Instead, he has merely made sweeping assertions about it.

Regrettably, Madrdejós has failed to prove that the development of cyst was due to the nature of his job as a Demi Chef. For this reason, this Court cannot presuppose that it is work-related.

Furthermore, it was already settled that Madrdejós was not repatriated due to his alleged medical condition but due to the expiration of his contract as a probationary employee. For this reason, therefore, it becomes unnecessary for NYK-FIL to overcome the disputable presumption that Madrdejós' illness was work-related.

#### IV

Madrdejós insists that his Pre-Employment Medical Examination showed that he was "fit to work" before he commenced employment.<sup>[173]</sup> This proves that he incurred his illness during his service and was only aggravated when he was on board.<sup>[174]</sup>

"A seafarer only needs to pass the mandatory [Pre-Employment Medical Examination] in order to be deployed on duty at sea."<sup>[175]</sup> A Pre-Employment Medical Examination cannot be relied upon to reflect a "seafarer's true state of health" since it is not exploratory and may just disclose enough for employers to decide whether a "seafarer is fit for overseas employment."<sup>[176]</sup> Due to the nature of a Pre-Employment Medical Examination, it is possible that Madrdejós' sebaceous cyst was not detected prior to his employment.

Nevertheless, NYK-FIL has not been remiss in its duty to provide Madrdejós with all the necessary aid. When he was diagnosed with a sebaceous cyst, he was immediately referred to a hospital where all the expenses were shouldered by the company.<sup>[177]</sup> This assertion was not contradicted by Madrdejós.

Given that Madrdejós' repatriation was due to the termination of his service contract, there was no bad faith on the part of NYK-FIL. Accordingly, we deny Madrdejós' claim for moral damages and attorney's fees.

The Constitutional mandate in providing full protection to labor "is not meant to be a sword to oppress employers."<sup>[178]</sup> This Court's assurance to this policy does not stop us from upholding "the employer when it is in the right."<sup>[179]</sup> Thus, when evidence contradicts compensability, the claim cannot prosper, otherwise it "causes injustice to the employer."<sup>[180]</sup>

**WHEREFORE**, the petition is **DENIED**. The assailed September 26, 2012 and

November 6, 2012 Resolutions of the Court of Appeals are **AFFIRMED**.

**SO ORDERED.**

*Carpio, (Chairperson), and Peralta, JJ., concur.  
Mendoza, and Martires, JJ., on official leave.*

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[1] POEA Memorandum Circular No. 009-00 (2000), sec. 20(b).

[2] *Rollo*, pp. 12-53.

[3] *Rollo*, pp. 54-55. The Resolution was penned by Associate Justice Amy C. Lazaro-Javier and concurred in by Associate Justices Mariflor P. Punzalan Castillo and Edwin D. Sorongon of the Sixteenth Division, Court of Appeals, Manila.

[4] *Id.* at 56. The Resolution was penned by Associate Justice Amy C. Lazaro-Javier and concurred in by Associate Justices Mariflor P. Punzalan Castillo and Edwin D. Sorongon of the Former Sixteenth Division, Court of Appeals, Manila.

[5] *Id.* at 55.

[6] *Id.* at 328, NYK-Fil Ship Management, Inc.'s Position Paper.

[7] *Id.* at 13. Also referred to as NFSMI which stands for NYK-Fil Ship Management, Inc.

[8] *Id.* at 328.

[9] *Id.* at 288 and 328.

[10] *Id.* at 288.

[11] *Id.* at 350, Contract of Employment.

[12] *Id.* at 164, NLRC Decision. The NLRC Decision has no page 3.

[13] *Id.*

[14] *Id.*

[15] *Id.*

[16] *Id.*

[17] *Id.*



[18] Id. at 358, Notice of Termination.

[19] Id.

[20] Id. at 165.

[21] Id. at 295, Position Paper (for the Complainant).

[22] Id.

[23] Id. at 291.

[24] Id. at 357.

[25] Id. at 319.

[26] Id. at 291.

[27] Id. at 291-292.

[28] Id. at 292, Position Paper (for the Complainant).

[29] Id. at 293, Position Paper (for the Complainant).

[30] Id.

[31] Id.

[32] Id. at 294, Position Paper (for the Complainant).

[33] Id. at 295.

[34] Id. at 282, Labor Arbiter's Decision.

[35] Id. at 295.

[36] Id. at 333, NYK-FIL's Position Paper.

[37] Id. at 332.

[38] Id. at 333-334.

[39] Id. at 352-353. Item 7 of International Cruise Services, Ltd. Crystal Cruises Hotel

## Personnel Terms and Conditions provides:

. . . .

7. First-time EMPLOYEES shall be subject to a probationary period of three (3) months following commencement of service during which this AGREEMENT can be terminated by either party without cause at any time upon fourteen (14) days prior written notice. If the AGREEMENT is terminated in the probationary period by the EMPLOYER, the repatriation costs should be shouldered by the EMPLOYER. Thereafter either party may terminate this AGREEMENT without cause upon one (1) month written notice. An EMPLOYEE that terminates his contract before the expiry date, or demands to leave his employment without giving proper notice, will be responsible for his own repatriation costs. The probation period shall not apply to EMPLOYEES previously engaged by the EMPLOYER within a one (1) year period prior to the execution of this AGREEMENT. EMPLOYER may in lieu of providing the requisite notice, pay to the EMPLOYEE the Minimum Income to which the EMPLOYEE would be entitled during the notice period. If an EMPLOYEE in Group A1-B terminates this AGREEMENT during service on board and the EMPLOYEE signs off in accordance with the approved vacation plan, the term of notice shall apply from the date of signing off.

[40] Id. at 334.

[41] Id. at 336.

[42] Id.

[43] Id. at 282-285.

[44] Id. at 284.

[45] Id. at 284-285.

[46] Id. at 285.

[47] Id.

[48] Id. at 163-167, NLRC Decision. See also *rollo*, pp. 241-274, Petitioner's Memorandum on Appeal and *rollo*, pp. 198-240, Respondent's Notice of Appeal with Memorandum of Appeal.

[49] Id. at 163.

[50] Id. at 164.

[51] Id. at 163-167.

[52] Id. at 166.

[53] Id. at 165.

[54] Id.

[55] Id. at 286-326.

[56] Id. at 359-372.

[57] Id. at 165.

[58] Id.

[59] Id.

[60] Id. at 166.

[61] Id.

[62] Id.

[63] Id. at 168-169.

[64] Id. at 170-195, Motion for Reconsideration (of the Decision dated 30 March 2012).

[65] Id. at 121-162.

[66] Id. at 123.

[67] Id. at 123.

[68] Id. at 54-55.

[69] Id. at 54.

[70] Id.

[71] Id. at 55.

[72] Id. at 54.

[73] Id. at 55.

[74] Id. at 56.

[75] Id. at 57-74, Motion for Reconsideration.

[76] Id. at 12-53.

[77] Id. at 38.

[78] Id. at 39.

[79] Id.

[80] Id. at 42.

[81] Id. at 44.

[82] Id. at 46.

[83] Id. at 47.

[84] Id.

[85] Id. at 48.

[86] Id. *citing Maunlad Transport, Inc. et al. v Manigo*, 577 Phil. 319 (2008) [Per J. Austria-Martinez, Third Division].

[87] Id. at 49.

[88] Id.

[89] Id. at 405-406.

[90] Id. at 407-438.

[91] Id. at 411. "Petitioner alleged on page 10 of the Petition that on 28 April 2010, he was involved in an accident while lifting and carrying Kitchen Equipment aboard the vessel when he accidentally slipped in the metal stairway. According to him, he suddenly felt episodic chest pain and abdominal pains radiating up to the right upper extremity as electric shock. For the alleged incident, Petitioner ties his "SEBACEOUS CYST" to claim disability benefits."

[92] Id.

[93] Id. at 412.

[94] Id.

[95] Id. at 412-413.

[96] Id. at 411.

[97] Id. at 413.

[98] Id.

[99] Id.

[100] Id. at 414.

## Section 20: Compensation and Benefits

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### B. Compensation and Benefits for Injury or Illness

.....

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 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.

[101] Id. at 433.

[102] Id. at 438-A.

[103] Id. at 439-446.

[104] Id. at 439.

[105] Id. at 440.

[106] Id.

[107] Id. at 441.

[108] Id. at 442.

[109] Id.

[110] Id. at 447.

[111] Id. at 480-497, Petitioner's Memorandum; *rollo*, pp. 448-479, Respondent's Memorandum.

[112] Id. at 456.

[113] Id. at 487.

[114] Id. at 165.

[115] Id. at 54.

[116] *Career Philippines Shipmanagement, Inc. v. Serna*, 700 Phil. 1, 9 (2012) [Per J. Brion, Second Division].

[117] Id.

[118] Id. at 9-10.

[119] Id. at 10.

[120] *Rollo*, p. 488.

[121] *Javier v. Philippine Transmarine Carriers, Inc.*, 738 Phil. 374, 384 (2014) [Per J. Brion, Second Division].

[122] *Rollo*, p. 456

[123] Id. at 358.

[124] Id. at 359-372, Reply (to Respondents' Position Paper).

[125] Id. at 359.

[126] Id. at 456-457.

[127] Id. at 165.

[128] Id.

[129] Id.

[130] Id. at 429.

[131] Id. at 319.

[132] Id. at 164.

[133] Id. at 413.

[134] Id. at 164.

[135] *Monana v. MEC Global Shipmanagement and Manning Corp.*, 746 Phil. 736, 745 (2014) [Per J. Leonen, Second Division].

[136] Id.

[137] The Amended Standard Terms and Conditions governing the Employment of Filipino-Seafarers on Board Ocean-Going Vessels were adopted on June 14, 2000.

[138] *Rollo*, p. 288 and 329.

[139] Id. at 357.

Re: Mr. Mario MADRIDEJOS . . .

. . . .

Thank you very much for referring along this gentleman who works on your ship who has a **sebaceous cyst to the right of the umbilicus**. I explained the diagnosis to this gentleman in clinic today. (Emphasis supplied)

[140] Id. at 284.

[141] *Dayo v. Status Maritime Corp.*, 751 Phil. 778, 785 (2015) [Per J. Leonen, Second Division].

[142] Id.

[143] *Rollo*, p. 488.



[144] Id. at 465-466.

[145] Id. at 466.

[146] Id. at 464.

[147] POEA Memorandum Circular No. 9 (2000) or the Amended Standard Terms and Conditions Governing the Employment of Filipino Seafarers on Board Ocean-Going Vessels

[148] Schedule of Disability or Impediment for Injuries Suffered and Diseases Including Occupational Diseases or Illness Contracted

[149] Occupational Diseases

[150] Id. at Section 20(B)

[151] *Dayo v. Status Maritime Corp.*, 751 Phil. 778, 789 (2015) [Per J. Leonen, Second Division] citing *Magsaysay Maritime Services v. Laurel*, 707 Phil. 210 (2013) [Per J. Mendoza, Third Division].

[152] Id.

[153] *Jebsen Maritime, Inc. v. Ravena*, 743 Phil. 371, 388 (2014) [Per J. Brion, Second Division].

[154] Id.

[155] Id.

[156] *Talosig v. United Philippine Lines, Inc.*, 739 Phil. 774, 783 (2014) [Per CJ. Sereno, First Division].

[157] Id.

[158] *Quizora v. Denholm Crew Management (Philippines), Inc.*, 676 Phil. 313, 327 (2011) [Per J. Mendoza, Third Division].

[159] Id.

[160] Id.

[161] Id.

[162] See Sebacious cysts, available at

<<http://www.nevdgp.org.au/info/murtagh/pdf/SEBCYSTS010216.pdf>> (Last visited April 7, 2017).

[163] Id.

[164] Id.

[165] Id.

[166] Id.

[167] *Rollo*, p. 55.

[168] Id. at 44.

[169] Id.

[170] Id. at 480-497.

[171] Id. at 490.

[172] Id.

[173] Id. at 47.

[174] Id.

[175] *Francisco v. Bahia Shipping Services, Inc.*, 650 Phil. 200, 206 (2010) [Per J. Carpio-Morales, Third Division].

[176] *NYK-Fil Ship Management Inc. v. National Labor Relations Commission*, 534 Phil. 725, 739 (2006) [Per J. Carpio-Morales, Third Division].

[177] *Rollo*, p. 473.

[178] *Magsaysay Maritime Corporation v. National Labor Relations Commission*, 630 Phil. 352, 369 (2010) [Per J. Brion, Second Division].

[179] Id.

[180] *Francisco v. Bahia Shipping Services, Inc.*, 650 Phil. 200, 207 (2010) [Per J. Carpio-Morales, Third Division].



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