

403 Phil. 572

THIRD DIVISION**[G.R. No. 142049, January 30, 2001]****GERMAN MARINE AGENCIES, INC. AND LUBECA MARINE
MANAGEMENT HK LTD., PETITIONERS, VS. NATIONAL LABOR
RELATIONS COMMISSION AND FROILAN S. DE LARA,
RESPONDENTS.****D E C I S I O N****GONZAGA-REYES, J.:**

On 17 October 1994, private respondent was hired by petitioners to work as a radio officer on board its vessel, the M/V T.A. VOYAGER. Sometime in June, 1995, while the vessel was docked at the port of New Zealand, private respondent was taken ill. His worsening health condition was brought by his crewmates to the attention of the master of the vessel. However, instead of disembarking private respondent so that he may receive immediate medical attention at a hospital in New Zealand, the master of the vessel proceeded to Manila, a voyage of ten days, during which time the health of private respondent rapidly deteriorated. Upon arrival in Manila, private respondent was not immediately disembarked but was made to wait for several hours until a vacant slot in the Manila pier was available for the vessel to dock. Private respondent was confined in the Manila Doctors Hospital, wherein he was treated by a team of medical specialists from 24 June 1995 to 26 July 1995.

After private respondent was discharged from the hospital, he demanded from petitioners the payment of his disability benefits and the unpaid balance of his sickness wages, pursuant to the Standard Employment Contract of the parties. Having been assured by petitioners that all his benefits would be paid in time, private respondent waited for almost a year, to no avail. Eventually, petitioners told private respondent that, aside from the sickness wages that he had already received, no other compensation or benefit was forthcoming.^[1] Private respondent filed a complaint with the National Labor Relations Commission (NLRC) for payment of disability benefits and the balance of his sickness wages. On 31 July 1997, the labor arbiter rendered a decision,^[2] the pertinent parts of which are quoted hereunder -

In the case at bar, there is no issue on the propriety or illegality of complainant's discharge or release from employment as Radio Operator. What complainant is pursuing is limited to compensation benefits due a seaman pursuant to POEA Standard Employment Contract, Part II, Section C, paragraph 4(c) and paragraph 5, which reads:

"SECTION C. COMPENSATION BENEFIT

x x x

- "4. The liabilities of the employer when the seaman suffers injury or illness during the term of his contract are as follows:

x x x

- c. The employer shall pay the seaman his basic wages from the time he leaves the vessel for medical treatment. After discharge from the vessel, the seaman is entitled to one hundred percent (100%) of his basic wages until he is declared fit to work or the degree of permanent disability has been assessed by the company-designated physician, but is [sic] no case shall this period exceed one hundred twenty (120) days. For this purpose, the seaman shall submit himself to a post-employment medical examination by the company-designated physician within three working days upon his return, except when he is physically incapacitated to do so, in which case the written notice to the agency within the same period is deemed as compliance x x x.

- "5. In case of permanent total or partial disability of the seamen [sic] [during] the term of employment caused by either injury or illness, the seamen [sic] shall be compensated in accordance with the schedule of benefits enumerated in Appendix 1 of this Contract. Computation of his benefits arising from an illness or disease shall be governed by the rates and the rules of compensation applicable at the time of [sic] the illness or disease was contracted."

The aforecited provisions of the POEA Standards [sic] Employment Contract is clear and unmistakable that its literal meaning should be preserved.

Thus, the only question at which the liability of respondents is anchored is whether complainant was really fit to work in his position as radio operator. If this is so, it could mean that he is not entitled to disability compensation which respondents vigorously disputed, citing in support the certification made by Dra. Victoria Forendo [sic] Cayabyab, allegedly "the officially accredited and designated physician of respondents, which is likewise, accredited with the Philippine Overseas Employment Administration" where it is stated that "Nothing [sic] his job description as a radio operator, Mr. de Lara may be allowed to go back to work." (Annex D & E). Complainant on the other hand disputes respondent's above posture contending that the more persuasive and authentic evidence for purposes of deciding his fitness or lack of fitness to work is the certificate issued by Ms. Naneth [sic] Domingo-Reyes, MD, FPMA where it appears that after submitting himself to

another medical examination by his attending physicians at the Manila Doctors Hospital on December 4, 1996, to verify possible mistake in his post treatment examination on March 25, 1996, firmly "was classified under partial permanent disability and is not fit to go back to his previous work due to mental state." (Annex "C", complainant's reply to respondent's position paper).

We have gone into a judicious study and analysis of the arguments and exhibits particularly the ones relied upon by the parties and find that of the complainant worthy of consideration. Looking closely at Annexes "D" and "E" of respondents' position paper, there is hardly any clear affirmation that complainant was fully fit to resume his work as radio operator. Although the document alluded to, declares that complainant may be allowed to go back to work, the tenor of the same seems uncertain that complainant is fit to resume his work, and that assuming that such was the message, the words "may be" can not be taken as overriding that coming from the Manila Doctor Hospital which in the beginning handled the medical case of complainant and to which respondents unconditionally referred him and by reason of which six or seven medical especialistas [sic] of the hospital took turn[s] studying and reviewing his uncertain ailment after release by respondents. Otherwise stated, unlike the message of annexes D to E of respondents, annex "C" of complainant is clear and unmistakable and confirm complainant's partial permanent disability and his definite unfitness to go back to his previous work due to his mental health. Some pronouncements in this exhibit mentions also that when complainant was admitted an emerging basis for drowsiness, behavioral change and off and on fever" and different procedures were resorted along his case, like emergency CT scan on the brain and his admission in June 24, 1995 was catastrophic, whereas, more could be said in three document[s] issued by Dra. Victoria Florendo Cayabyab.

Finally, respondents contend that the annexes issued by Dr. Domingo-Reyes of the Manila Doctors Hospital should not be given weight because it is not issued by the hospital or doctor duly accredited by the POEA. Neither would a close look on the applicable provision for seamen show - that a duly accredited hospital or doctor is needed for purposes of the grant of compensation benefits to a such [sic] or ailing seamen. We are more persuaded based on the arguments of the complainant among others, that it is absurd to require an ailing seaman in high seas or in a foreign land to still wait until the ship where he is working land in the country to secure treatment in a duly accredited hospital or doctor.

On the basis of the above therefore, and convinced that complainant's "partial permanent disability" which was contracted in the course or on account of his employment as radio operator in foreign principal's vessel, he is entitled to disability benefit in accordance with the schedule of benefits enumerated in Appendix 1 of the Contract, the maximum of which is US \$50,000. But since the amount prayed for is US\$25,000.00 which we presume has a more realistic basis, the same is hereby granted.

Concerning the sickness wage, respondents averred that the same had already been paid. However, there is no evidence that the same has been paid except the payment to the complainant of P49,546.00. Since complainant's salary as US\$870 and a seaman's sick wage entitlement is fixed to a maximum of 120 days, his "sickness wages would rest to a total sum of US\$3,480 or its peso equivalent. On this, complainant has been paid only [P]49,546.00 (US\$1,943), thereby leaving for complainant a balance of US\$1,537. Finally, it is also argued that as regards the balance, the same has been paid citing as proof the Sickness Release and Quitclaim signed by complainant (Annexes "C" & "C-1"). Complainant, on the other hand denied this, and contended that the quitclaim and release is invalid. Considering that there is no proof on record that this balance of US\$1,537 was paid, unlike the P49,546.00, the same is granted.

WHEREFORE, premises above-considered, a decision is hereby issued ordering respondent German Marine Agencies Inc. to pay complainant the following sums:

(a) Disability benefit - - - - - US\$25,000.00

(b) Sickness wage balance - - - - - US\$1,137.00

all in the aggregate of Twenty Six Thousand One Hundred Thirty Seven Dollars (US\$26,137.00) or its peso equivalent, the claim for damages being hereby dismissed for lack of merit, plus ten (10%) percent attorney's fees.

SO ORDERED.

On 29 July 1998, the NLRC^[3] affirmed the labor arbiter's decision *in toto* and declared that the latter's findings and conclusions were supported by substantial evidence.^[4] After its motion for reconsideration was denied by the NLRC on 20 May 1999, petitioners repaired to the Court of Appeals.^[5] The appellate court's assailed decision was promulgated on 1 December 1999, upholding the decision of the NLRC, with the modification that petitioners were ordered to pay private respondent exemplary damages in the amount of P50,000.00. The appellate court reasoned out its decision,^[6] thus -

The basic issue here is: Whether or not petitioner is liable to pay private respondent's claim as awarded by the NLRC, and whether or not there was abuse of discretion on the part of the NLRC in affirming such decision on appeal? To resolve this issue, this Court took time in looking closely at the pertinent provision of the Standard Employment Contract Governing the Employment of Filipino Seafarers on Board Ocean-Going Vessels, particularly PART II, SECTION C, par. no. 4 (c), and par. no. 5, which states as follows:

"SECTION C. COMPENSATION AND BENEFITS

"4. The liabilities of the employer when the seaman

suffers injury or illness during the term of his contract are as follows:

"x x x x

- c. The employer shall pay the seaman his basic wages from the time he leaves the vessel for medical treatment. After discharge from the vessel the seaman is entitled to hundred percent (100%) of his basic wages until he is declared fit to work or his 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. x x x x

- "5. In case of permanent total or partial disability of the seaman during the term of his employment caused by either injury or illness the seaman shall be compensated in accordance with the schedule of benefits enumerated in Appendix 1 of his Contract. Computation of his benefits arising from an illness or disease shall be governed by the rates and the rules of compensation applicable at the time the illness or disease was contracted.

x x x . . ."

A cursory reading of these applicable contractual provisions and a thorough evaluation of the supporting evidence presented by both parties, lends strong credence to the contentions and arguments presented by private respondent.

The award of disability compensation has a clear and valid basis in the Standard Employment Contract and the facts as supported by the medical certificate issued by Dr. Nannette Domingo-Reyes of the Manila Doctors Hospital. Petitioners' contention, that Dr. Domingo-Reyes is not company designated is far from the truth. The designation of the Manila Doctors Hospital by petitioners as the company doctor for private respondent cannot be denied. Their very act of committing private respondent for treatment at the Manila Doctors Hospital under the care of its physician is tantamount to company designation. The very act of paying the hospital bills by the petitioners constitutes their confirmation of such designation. Hence, petitioners cannot resort to the convenience of denying this fact just to evade their obligation to pay private respondent of his claims for disability benefit.

This Court also finds no basis on (sic) the petitioners' contention that the company-designated [physician] must also be accredited with the POEA before he can engage in the medical treatment of a sick seaman. There is nothing in the Standard Employment Contract that provides this

accreditation requirement, and even if there is, this would be absurd and contrary to public policy as its effect will deny and deprive the ailing seaman of his basic right to seek immediate medical attention from any competent physician. The lack of POEA accreditation of a physician who actually treated the ailing seaman does not render the findings of such physician (declaring the seaman permanently disabled) less authoritative or credible. To our mind, it is the competence of the attending physician, not the POEA accreditation, that determines the true health status of the patient-seaman, which in this instant case, is [sic] the attending physicians from the Manila Doctors Hospital.

As to the award of the balance of wages, this Court is inclined not to disturb the factual findings of the NLRC. The failure of the petitioners to present a strong and credible evidence supporting the fact of alleged payment of the balance of sickness justifies the award of such claim. The long standing doctrine in labor cases that "in case of doubt, the doubt is resolved in favor of labor" applies. For there are indications that the evidence presented by petitioners appears to be of dubious origin as private respondent challenged the petitioners to present the original copy of the quitclaim and the vouchers in a motion demanding from petitioners to produce the original copy of those documents purporting to show that he had received the alleged sum of P39,803.30, which allegedly shows the payment of the balance of his sickness wages. This motion was vehemently opposed by petitioners. To our mind, such opposition only created more doubts and eroded the veracity and credence of petitioners' documentary evidence.

As to the award of attorney's fees, the same is justified by the fact that private respondent actually hired the services of a lawyer to vindicate his right to claim for his disability benefit which is being arbitrarily denied to him by petitioners. Had it not been for the arbitrary denial of petitioners, private respondent could not have been compelled to hire the services of a lawyer to pursue his claims in court, for which he is presumed to have incurred costs.

With respect to private respondent's claim for damages, this Court finds that the NLRC overlooked the attendance of negligence on the part of petitioners in their failure to provide immediate medical attention to private respondent. It further appears that negligence not only exists but was deliberately perpetrated by petitioners by its arbitrary refusal to commit the ailing private respondent to a hospital in New Zealand or at any nearest port deprived of his right to immediate medical attention by petitioners, which resulted to the serious deterioration of his health that caused his permanent partial disability. Such deprivation of immediate medical attention appears deliberate by the clear manifestation from petitioners' own words which states that, *"the proposition of the complainant that respondents should have taken the complainant to the nearest port of New Zealand is easier said than done. It is worthy to note that deviation from the route of the vessel will definitely result to loss of a fortune in dollars not only to the respondents but likewise to the owners of the cargoes being shipped by the*

said vessel."

By petitioners' own statement, they reveal their utter lack of concern for their Filipino crew. This kind of attitude cannot be taken to pass by this Court without appropriate sanction by way of payment of exemplary damages, if only to show that the life of a Filipino crew must be accorded due attention and respect by the petitioners. For after all, had it not been for the toils of this crew, among others, petitioners would not be doing as good in their business and making "*fortunes in dollars.*"

In affirming the decision of the Labor Arbiter, this Court finds that the NLRC never abused its discretion nor exceeded its jurisdiction.

Hence, this Court finds no valid basis to disturb the findings of the NLRC.

WHEREFORE, the decision of the NLRC dated 29 July 1998, and the Order dated 20 May 1999, are hereby AFFIRMED, and in addition thereto, petitioners are ordered to pay exemplary damages to private respondent in the sum of Fifty Thousand Pesos (P50,000.00).

SO ORDERED.

Petitioners' motion for reconsideration was denied by the Court of Appeals in its Resolution of 11 February 2000. Hence, the present appeal.

Disability Benefits

Petitioners contend that the existence and degree of a seaman's disability must be declared by a "company-designated physician" who must be accredited with the POEA. Following this line of reasoning, petitioners claim that private respondent is not entitled to disability benefits because he was found fit to return to work by Dr. Victoria Florendo Cayabyab, the designated physician of petitioners, who is also accredited with the POEA.^[7]

Disagreeing with petitioners' stand, the labor arbiter ruled that, for purposes of determining compensation benefits under the Standard Employment Contract, an ailing seaman need not have his condition assessed by a doctor or hospital accredited with the POEA. Consequently, the labor arbiter gave more weight to the opinion of the specialists from the Manila Doctors Hospital who treated private respondent and declared him as having sustained a partial permanent disability and unfit to go back to his previous work.^[8] Meanwhile, the Court of Appeals held that petitioners' act of committing private respondent for treatment at the Manila Doctors Hospital and of paying his hospital bills therein is tantamount to "company-designation," and therefore, the certificate issued by Dr. Nanette Domingo-Reyes of the Manila Doctors Hospital describing private respondent as suffering from a partial permanent disability should be construed as decisive in the matter of private respondent's entitlement to disability benefits. The appellate court also declared that nothing in the Standard Employment Contract requires the company-designated physician or hospital to also be accredited

with the POEA.^[9]

In the case at bar, the parties are at odds as to the proper interpretation of the POEA Standard Employment Contract Governing the Employment of All Filipino Seamen On Board Ocean-Going Vessels (Standard Employment Contract), particularly Part II, Section C thereof, which provides that -

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4. The liabilities of the employer when the seaman suffers injury or illness during the term of his contract are as follows:

- a. The employer shall continue to pay the seaman his basic wages during the time he is on board the vessel;
- b. 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, dental, surgical and hospital treatment as well as board and lodging until the seaman is declared fit to work or to be repatriated.

However, if after repatriation the seaman 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.

- c. The employer shall pay the seaman his basic wages from the time he leaves the vessel for medical treatment. After discharge from the vessel the seaman is entitled to one hundred percent (100%) of his basic wages 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 seaman shall submit himself to a post-employment medical examination by the 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 seaman to comply with the mandatory reporting requirement shall result in his forfeiture of the right to claim the above benefits.

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5. In case of permanent total or partial disability of the seaman during the term of employment caused by either injury or illness the seaman shall be compensated in accordance with the schedule of benefits enumerated in Appendix 1 of his Contract. Computation of his benefits

arising from an illness or disease shall be governed by the rates and the rules of compensation applicable at the time the illness or disease was contracted.

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Petitioners' contention that the existence and grade of a seaman's disability must be pronounced by a physician accredited by the POEA does not find any support in the abovesited provision, nor in any other portion of the Standard Employment Contract. In order to claim disability benefits under the Standard Employment Contract, it is the "company-designated" physician who must proclaim that the seaman suffered a permanent disability, whether total or partial, due to either injury or illness, during the term of the latter's employment. There is no provision requiring accreditation by the POEA of such physician. In fact, aside from their own gratuitous allegations, petitioners are unable to cite a single provision in the said contract in support of their assertions or to offer any credible evidence to substantiate their claim. If accreditation of the company-designated physician was contemplated by the POEA, it would have expressly provided for such a qualification, by specifically using the term "accreditation" in the Standard Employment Contract, to denote its intention. For instance, under the Labor Code it is expressly provided that physicians and hospitals providing medical care to an injured or sick employee covered by the Social Security System or Government Service Insurance System must be accredited by the Employees Compensation Commission.^[10] It is a cardinal rule in the interpretation of contracts that if the terms of a contract are clear and leave no doubt upon the intention of the contracting parties, the literal meaning of its stipulation shall control.^[11] There is no ambiguity in the wording of the Standard Employment Contract - the only qualification prescribed for the physician entrusted with the task of assessing the seaman's disability is that he be "company-designated." When the language of the contract is explicit, as in the case at bar, leaving no doubt as to the intention of the drafters thereof, the courts may not read into it any other intention that would contradict its plain import.^[12]

The word "designate" means to specify, to mark out and make known, to identify by name, to indicate, to show, to distinguish by mark or description, or to set apart for a purpose or duty.^[13] The Court agrees with the appellate court's ruling that petitioners' act of committing private respondent for treatment at the Manila Doctors Hospital and paying the hospital bills therein is tantamount to "company-designation." By such unequivocal acts, petitioners clearly set apart and distinguished the Manila Doctors Hospital, together with its team of specialists, as the ones qualified to assess the existence and degree of private respondent's disability and thereby resolve the question of the latter's entitlement to disability benefits under the Standard Employment Contract.

In addition to their having been effectively designated by petitioners, it was the physicians from the Manila Doctors Hospital who examined and treated private respondent for a little more than one month, subjecting the latter to a series of medical procedures, such as medical therapy, neurological surgical drainage for brain abscess, bilateral thalamic area S/P craniotomy (Burr Hole), and ophthalmological (orbit) surgery for socket revision and reconstruction of his left eye. The extensive medical attention

given to private respondent enabled the Manila Doctors Hospital specialists to acquire a detailed knowledge and familiarity with private respondent's medical condition.^[14] No doubt such specialized knowledge enabled these physicians to arrive at a much more accurate appraisal of private respondent's condition, including the degree of any disability which he might have sustained, as compared to another physician not privy to private respondent's case from the very beginning. Thus, the appellate court was not mistaken in giving more weight to the certificate issued by Dr. Nanette Domingo-Reyes of the Manila Doctors Hospital dated December 4, 1996, than to the one issued by Dr. Victoria Florendo Cayabyab.

On the strength of Dr. Domingo-Reyes's medical certificate which stated that private respondent "can be classified under partial permanent disability and is not fit to go back to his previous work due to his mental state," the labor arbiter awarded \$25,000.00 as disability benefits, which award was upheld by the NLRC and the appellate court. Petitioners insist that there is no factual basis for the award of \$25,000.00 since there is no finding as to the grade of permanent partial disability sustained by private respondent, in accordance with Appendix 1 of the Standard Employment Contract (Schedule of Disability or Impediment For Injuries Suffered and Diseases or Illness Contracted), and therefore, no means of determining the exact amount of compensation to which private respondent may be entitled.^[15]

The Court does not agree with petitioners' position. Under the Standard Employment Contract the grade of disability suffered by the seaman must be ascertained in accordance with Appendix 1 of such contract, which is partially reproduced herein -

Appendix 1

SCHEDULE OF DISABILITY OR IMPEDIMENT

FOR INJURIES SUFFERED AND OR ILLNESS CONTRACTED

HEAD

Traumatic head injuries that result to:

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|----|--|-------|
| 1. | Apperture unfilled with bone not over three (3) inches without brain injury | Gr. 9 |
| 2. | Apperture unfilled with bone over three (3) inches without brain injury | Gr. 3 |
| 3. | Severe paralysis of both upper or lower extremities or one upper and one lower extremity | Gr. 1 |
| 4. | Moderate paralysis of two (2) extremities producing moderate difficulty in movements with self care activities | Gr. 6 |

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|----|---|--------|
| 5. | Slight paralysis affecting one extremity producing slight difficulty with self-care activities | Gr. 10 |
| 6. | Severe mental disorder or Severe Complex Cerebral function disturbance or post - traumatic psychoneurosis which require regular aid and attendance as to render worker permanently unable to perform any work | Gr. 1 |
| 7. | Moderate mental disorder or moderate brain functional disturbance which limits worker to the activities of daily living with some directed care or attendance | Gr. 6 |
| 8. | Slight mental disorder or disturbance that requires little attendance or aid and which interferes to a slight degree with the working capacity of the claimant | Gr. 10 |
| 9. | Incurable imbecility | Gr. 1 |

Each grade under Appendix 1 has an equivalent disability allowance or benefit expressed in terms of a percentage of the maximum amount of \$50,000.00. This is specified in Appendix 1-A of the Standard Employment Contract -

APPENDIX 1-A

SCHEDULE OF DISABILITY ALLOWANCES

Impediment	Grace	Impediment	
1	Maximum Rate	x	120.00%
2	"	x	88.81%
3	"	x	78.36%
4	"	x	68.66%
5	"	x	58.96%
6	"	x	50.00%
7	"	x	41.80%
8	"	x	33.59%
9	"	x	26.12%
10	"	x	20.15%
11	"	x	14.93%
12	"	x	10.45%
13	"	x	6.72%
14	"	x	3.74%

Maximum Rate: US\$50,000.

To be paid in Philippine Currency equivalent at the exchange rate prevailing during the time of payment.

Private respondent asked petitioner for disability benefits in the amount of \$25,000.00, or fifty percent (50%) of the maximum rate of \$50,000.00, which, under Appendix 1-A, is awarded when the seaman sustains a grade 6 disability. One of the grade 6 head injuries listed in Appendix 1, specifically number seven (7), is described as a "moderate mental disorder or moderate brain functional disturbance which limits worker to the activities of daily living with some directed care or attendance." This coincides with Dr. Domingo-Reyes' diagnosis of private respondent's condition, as follows -

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Work-ups and Management:

Patient was admitted on an emergency bases for drowsiness, behavioral change and on and off fever. This started with headaches since the first week of June 1995 while on duty (on voyage). Patient progressively deteriorated and arrived here already dehydrated with high grade fever. (emphasis supplied)

Emergency CT Scan of the brain revealed rounded masses in both thalamus on the brain; the larger mass was situated at the right.

Burr hole at the right parietal and drainage of the right thalamic abscess was done on June 26, 1995. Repair of shallow fornix of left eye and biopsy was done for culture studies thereafter.

Mr. De Lara stayed in the hospital for 33 days and was still in bedridden state when discharge. He became ambulant on mid-August 1996 *but his cerebral functions (cognitive and behavioral) remain impaired.*

This is his 18th month of illness. His admission last June 24, 1995 is considered catastrophic. He now can be classified under partial permanent disability and is not fit to go back to his previous work due to his mental state.^[16] (emphasis supplied)

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Thus, the medical certificate of Dr. Domingo-Reyes is more than sufficient basis for the award of disability benefits in the amount of \$25,000.00 in favor of private respondent.

Sickness wages

Petitioners assert that the award of \$1,137.00, representing the balance of the sickness wages owed to private respondent, is erroneous and in absolute disregard of their documentary evidence - particularly the three check vouchers in the total amount of P89,354.80, all issued in 1995 in favor of either private respondent or his wife, and the "Sickwages Release & Quitclaim" - which, according to petitioners, taken together would prove that they had paid private respondent the total amount of P89,354.80, or \$3,480.00, corresponding to the 120 days sickness wages as required under the

Standard Employment Contract.

Contrary to petitioners' assertions, the labor arbiter held that only P49,546.00 (\$1,943.00) was paid by petitioners and that private respondent is still entitled to the balance of the sickness wages in the amount of \$1,537.00. According to the labor arbiter, petitioners failed to prove that they had paid this amount to private respondent, notwithstanding the document entitled "Sickness Release & Quitclaim" introduced by petitioners in evidence, which was not given credence.^[17] The NLRC and the Court of Appeals concurred with the labor arbiter on this issue. The appellate court held that the documentary evidence of petitioners was insufficient to support their contentions.^[18]

The Supreme Court has always accorded respect and finality to the findings of fact of the NLRC, particularly if they coincide with those of the Labor Arbiter, when supported by substantial evidence. The reason for this is that a quasi-judicial agency like the NLRC has acquired a unique expertise because its jurisdiction is confined to specific matters.^[19] Whether or not petitioners actually paid the balance of the sickness wages to private respondent is a factual question. In the absence of proof that the labor arbiter or the NLRC had gravely abused their discretion, the Court shall deem conclusive and cannot be compelled to overturn this particular factual finding.^[20]

Damages

We affirm the appellate court's finding that petitioners are guilty of negligence in failing to provide immediate medical attention to private respondent. It has been sufficiently established that, while the M/V T.A. VOYAGER was docked at the port of New Zealand, private respondent was taken ill, causing him to lose his memory and rendering him incapable of performing his work as radio officer of the vessel. The crew immediately notified the master of the vessel of private respondent's worsening condition. However, instead of disembarking private respondent so that he may receive immediate medical attention at a hospital in New Zealand or at a nearby port, the master of the vessel proceeded with the voyage, in total disregard of the urgency of private respondent's condition. Private respondent was kept on board without any medical attention whatsoever for the entire duration of the trip from New Zealand to the Philippines, a voyage of ten days. To make matters worse, when the vessel finally arrived in Manila, petitioners failed to directly disembark private respondent for immediate hospitalization. Private respondent was made to suffer a wait of several more hours until a vacant slot was available at the pier for the vessel to dock. It was only upon the insistence of private respondent's relatives that petitioners were compelled to disembark private respondent and finally commit him to a hospital.^[21] There is no doubt that the failure of petitioners to provide private respondent with the necessary medical care caused the rapid deterioration and inevitable worsening of the latter's condition, which eventually resulted in his sustaining a permanent disability.

In light of the foregoing, petitioners are liable for moral damages for the physical suffering and mental anguish caused to private respondent.^[22] There is no hard and fast rule in the determination of what would be a fair amount of moral damages, since each case must be governed by its own peculiar circumstances.^[23] In the present case,

the Court considers the amount of P50,000.00 in moral damages as proper.^[24]

Meanwhile, exemplary damages are imposed by way of example or correction for the public good, pursuant to Article 2229 of the Civil Code. They are imposed not to enrich one party or impoverish another but to serve as a deterrent against or as a negative incentive to curb socially deleterious actions. While exemplary damages cannot be recovered as a matter of right, they need not be proved, although plaintiff must show that he is entitled to moral, temperate, or compensatory damages before the court may consider the question of whether or not exemplary damages should be awarded.^[25] In quasi-delicts, exemplary damages may be granted if the defendant acted with gross negligence.^[26] Coming now to the case at bar, the appellate court found that -

... negligence not only exists but was deliberately perpetrated by petitioners by its arbitrary refusal to commit the ailing private respondent to a hospital in New Zealand or at any nearest port ... which resulted to the serious deterioration of his health that caused his permanent partial disability. Such deprivation of immediate medical attention appears deliberate by the clear manifestation from petitioners' own words which states that, *"the proposition of the complainant that respondents should have taken the complainant to the nearest port of New Zealand is easier said than done. It is worthy to note that deviation from the route of the vessel will definitely result to loss of a fortune in dollars not only to the respondents [petitioners herein] but likewise to the owners of the cargoes being shipped by the said vessel."*

Petitioners never denied making this statement. Given the prevailing circumstances, the appellate court's award of P50,000.00 as exemplary damages is adequate, fair, and reasonable.^[27]

Although the labor arbiter awarded attorney's fees, which award was subsequently affirmed by the NLRC and the Court of Appeals, the basis for the same was not discussed in his decision nor borne out by the records of this case, and should therefore be deleted. There must always be a factual basis for the award of attorney's fees.^[28] This is consistent with the policy that no premium should be placed on the right to litigate.^[29]

WHEREFORE, the 1 December 1999 Decision and 11 February 2000 Resolution of the Court of Appeals are AFFIRMED, with the modification that petitioners must also pay private respondent P50,000.00 as moral damages and the award of attorney's fees is deleted.

SO ORDERED.

Melo, (Chairman), Vitug, Panganiban, and Sandoval-Gutierrez, JJ., concur.

- [1] Rollo, 72-73.1
- [2] *Ibid.*, 41-52.2
- [3] First Division, composed of Commissioners Vicente S.E. Veloso, *ponente*; Rogelio I. Rayala, *presiding commissioner*; and Alberto R. Quimpo.
- [4] Rollo, 54-65.
- [5] Thirteenth Division, composed of Justices Omar U. Amin, *ponente*; Hector L. Hofilena, *chairman*; and Jose L. Sabio.
- [6] Rollo, 71-89.
- [7] Petitioners' Memorandum, 11.
- [8] Rollo, 49-51.
- [9] *Ibid.*, 85-86.
- [10] Labor Code, Book IV, Title II, Chapter I, Article 167(u), (v).
- [11] Civil Code, Article 1370; *Palmares v. Court of Appeals*, 288 SCRA 422 (1998).
- [12] *Cruz v. Court of Appeals*, 293 SCRA 239 (1998).
- [13] Words and Phrases, Permanent Edition, "Designate," vol. 12, 415 (1954). *Citing* *State v. Noah*, 124 N.W. 1121, 1126, 20 N.D. 281; *Colgrove v. U.S.*, C.A. Cal., 176 F.2d 614, 617; *Lankford v. Pope*, 57 S.E.2d 538, 540, 206 Ga. 430; *Thrailkill v. Smith*, 138 N.E. 532, 534, 106 Ohio St. 1; *Hall v. Cotton*, 180 S.W. 779, 781, 167 Ky. 464, L.R.A.1916C, 1124; *State ex rel. Rocky Mountain Bell Tel. Co. v. City of Red Lodge*, 83 P. 642, 643, 33 Mont. 345, quoting and adopting definition in *Webst.Int.Dict.*; *Lowry v. Davis*, 70 N.W. 190, 101 Iowa, 236, 239; *Jewel Tea Co. v. City of Geneva*, 291 N.W. 664, 669, 137 Neb. 768; *St. Louis Police Relief Ass'n v. Tierney*, 91 S.W. 968, 974, 116 Mo.App. 447.
- [14] Rollo, 49-50, 86.
- [15] Petitioners' Memorandum, 12-13.
- [16] Records, 154.
- [17] Rollo, 51.
- [18] *Ibid.*, 86-87.

[19] Travelaire & Tours Corporation v. National Labor Relations Commission, 294 SCRA 505 (1998); Suarez v. National Labor Relations Commission, 293 SCRA 496 (1998); Autobus Workers' Union v. National Labor Relations Commission, 291 SCRA 219 (1998); Prangan v. National Labor Relations Commission, 289 SCRA 142 (1998); International Pharmaceuticals, Inc v. National Labor Relations Commission, 287 SCRA 213 (1998); Villa v. National Labor Relations Commission, 284 SCRA 105 (1998).

[20] Gandara Mill Supply v. National Labor Relations Commission, 300 SCRA 702 (1998); National Union of Workers in Hotels, Restaurants and Allied Industries v. National Labor Relations Commission, 287 SCRA 192 (1998).

[21] Rollo, 72.

[22] Civil Code, Article 2217.

[23] Philippine National Bank v. Court of Appeals, 266 SCRA 136 (1997).

[24] Ong v. Court of Appeals, 301 SCRA 387 (1999); Philtranco Service Enterprises, Inc. v. Court of Appeals, 273 SCRA 562 (1997).

[25] Del Rosario v. Court of Appeals, 267 SCRA 158 (1997).

[26] Civil Code, Article 2231.

[27] Petitioners have never questioned the jurisdiction of the labor arbiter or the NLRC over private respondent's claim for damages. See Zamboanga v. Buat, 243 SCRA 47 (1995); Ocheda v. Court of Appeals, 214 SCRA 629 (1992).

[28] Congregation of the Religious of the Virgin Mary v. Court of Appeals, 291 SCRA 385 (1998).

[29] Philtranco Service Enterprises, Inc. v. Court of Appeals, *supra*.



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