

Republic of the Philippines
Supreme Court
Manila

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Wilfredo V. Lapitan
WILFREDO V. LAPITAN
Division Clerk of Court
Third Division
JUL 20 2017

THIRD DIVISION

**SEAPOWER SHIPPING ENT.,
INC.,**

G.R. No. 198544

Petitioner,

Present:

VELASCO, JR., *J.*, Chairperson,
BERSAMIN,
REYES,
JARDELEZA, and
TIJAM, *JJ.*

- versus -

**HEIRS OF WARREN M.
SABANAL, represented by
ELVIRA ONG-SABANAL,**

Respondents.

Promulgated:

June 19, 2017

Wilfredo V. Lapitan

x-----x

DECISION

JARDELEZA, J.:

The Philippine Overseas Employment Agency (POEA) standard employment contract for Filipino seafarers exempts the employer from liability for death or injury resulting from the seafarer's willful act. The question here is whether the exemption extends to the case when the seafarer had been acting strangely prior to jumping into the sea.

I

Petitioner Sea Power Shipping Enterprises, Inc. (Seapower), for and on behalf of its principal Westward Maritime Corporation, hired Warren M. Sabanal (Sabanal) as Third Mate onboard MT Montana on July 20, 1995.¹ After undergoing the routine pre-employment medical examination and being declared fit to work,² Sabanal boarded the ship and commenced his duties.

¹ Rollo, p. 138.

² Id. at 140.

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Sometime in September 1995, during voyage, Sabanal started exhibiting unusual behavior. When the ship captain checked on him on September 22, 1995, he responded incoherently, though it appeared that he had problems with his brother in the Philippines. This prompted the captain to set double guards on Sabanal. The sailors watching over Sabanal reported that he wanted to board a life boat, citing danger in the ship's prow. Because of Sabanal's condition, the captain relieved him of his shift and allowed him to sleep in the cabin guarded.³ The following day, the captain wanted to supervise Sabanal better, so he took him on deck and assigned to him simple tasks, such as correcting maps and collecting and typing the crew's declarations. The captain observed that Sabanal's condition was "rather better" and he "did not appear to have any problems."⁴ Later that day, Sabanal requested the sailor-on-guard that he be allowed to return to the deck for some fresh air. Once on deck, Sabanal suddenly ran to the stern and jumped to the sea. The ship's rescue attempts proved futile, and Sabanal's body was never recovered.⁵

During the first week of October 1995, Seapower informed Sabanal's wife, Elvira, regarding the incident. According to Elvira, Seapower was non-committal regarding Sabanal's contractual benefits that would accrue to her and their two children. She alleged that Seapower told her that she has to wait for a period of seven to ten years before Sabanal can be declared dead.⁶ Relying on Seapower's representation, Elvira went back to Seapower sometime in late 2004 or early 2005 to claim whatever benefits she was entitled to. Seapower informed her that she was only entitled to the death benefits under the Social Security System; Seapower, allegedly for the first time, categorically disclaimed any liability for Sabanal's death.⁷ Thus, it was only on May 16, 2005 that Elvira was able to file a complaint for payment of Sabanal's death benefits.⁸

Seapower, however, denied that it deceived Elvira into believing that she had to wait for seven years before she could claim death benefits. It claimed that it was forthright with Elvira and told her early on that her husband committed suicide. Seapower raised as defenses the prescription of Elvira's action, the assumption of Bright Maritime Corporation of full responsibility over seafarers onboard MT Montana, and the non-compensability of death resulting from suicide.⁹

The Labor Arbiter dismissed Elvira's case on the grounds of prescription and lack of merit. It ruled that Elvira failed to substantiate her claim that Seapower misled her to wait for seven to ten years; thus, her claim was already barred by the statute of limitations. In any case, the Labor Arbiter ruled that the pieces of evidence submitted by Seapower,

³ *Id.* at 172-173.

⁴ *Id.* at 173-174.


⁵ *Id.* at 174-175.

⁶ *Id.* at 115.

⁷ *Id.* at 116.

⁸ *Id.* at 104-105.

⁹ *Id.* at 165-166.



particularly, copies of the ship's log and the master's report, clearly show that Sabanal took his own life. Hence, his death is not compensable.¹⁰

On appeal, the National Labor Relations Commission (NLRC) First Division affirmed the Labor Arbiter's dismissal of the complaint. Although it found that the action had not prescribed because the prescriptive period only began to run upon Seapower's categorical denial of Elvira's claim in early 2005, the NLRC found that Sabanal's suicide was established by substantial evidence. It held that when the death of the seaman resulted from his own willful act, the death is not compensable.¹¹

WHEREFORE, the appeal is hereby DISMISSED. The Decision of Labor Arbiter Teresita D. Castillon-Lora dated October 28, 2005 is AFFIRMED.

SO ORDERED.¹²

After the NLRC denied Elvira's motion for reconsideration,¹³ Elvira elevated the case to the Court of Appeals on *certiorari* primarily raising the admissibility of the copies of the ship log and master's report, which were only presented by Seapower in its rejoinder before the Labor Arbiter, as well as the finding that Sabanal willfully took his own life. With respect to the first issue, the Court of Appeals did not find grave abuse of discretion on the part of the NLRC because the tribunal is not strictly bound by technical rules of procedure and must use all reasonable means to ascertain the facts of the case.¹⁴ The Court of Appeals, however, reversed the NLRC on the second issue. Relying on Sabanal's strange conduct prior to jumping off ship, it concluded that "his actions were borne not by his willful disregard of his safety and of his life, but, on the contrary, he became paranoid that the ship was in grave danger, that he wanted to save himself from the imagined doom that was to befall the ship."¹⁵ Accordingly, the Court of Appeals ordered Seapower to pay death benefits to Elvira.¹⁶ It subsequently denied Seapower's motion for reconsideration.¹⁷

Seapower is now before us raising the sole issue of whether Sabanal's death is compensable.¹⁸

II

The relationship between Seapower and Sabanal is governed by the 1989 POEA "Revised Standard Employment Contract Governing the

¹⁰ *Id.* at 205-214.

¹¹ *Id.* at 284-286.

¹² *Id.* at 286.

¹³ *Id.* at 322-323.

¹⁴ *Id.* at 18-19.

¹⁵ *Id.* at 20.

¹⁶ Decision dated May 9, 2011, penned by Associate Justice Ramon A. Cruz, with Associate Justices Jose C. Reyes, Jr. and Antonio L. Villamor concurring. *Id.* at 15-22.

¹⁷ *Id.* at 32-33.

¹⁸ *Id.* at 38-66.

Employment of All Filipino Seamen On-Board Ocean-Going Vessels”¹⁹ (POEA-SEC) which was in force on July 20, 1995, the date Seapower hired Sabanal. Under the POEA-SEC, the employer is generally liable for death compensation benefits when a seafarer dies during the term of employment. This rule, however, is not absolute. Part II, Section C(6) of the POEA-SEC exempts the employer from liability if it can successfully prove that the seafarer’s death was caused by an injury directly attributable to his deliberate or willful act.²⁰ The provision reads:

No compensation shall be payable in respect of any injury, incapacity, disability or death resulting from a willful act on his own life by the seaman, provided, however, that the employer can prove that such injury, incapacity, disability or death is directly attributable to him.²¹

Since it is undisputed that Sabanal’s death happened during the term of the employment contract, the burden rests on the employer to prove by substantial evidence that Sabanal’s death was directly attributable to his deliberate or willful act. For its part, Seapower submitted the ship log entries and master’s report to prove that Sabanal suddenly jumped overboard the MT Montana. The Labor Arbiter, NLRC, and Court of Appeals all agree that the evidence presented sufficiently establish that Sabanal indeed jumped into the sea. The Court of Appeals, however, ruled that Sabanal’s act was not a willful one because he was not in his right mental state when he committed the act. Evidence of insanity or mental sickness may be presented to negate the requirement of willfulness as a matter of counter-defense.²² But the burden of evidence is then shifted to the claimant to prove that the seafarer was of unsound mind.²³ The question, therefore, is whether Elvira was able to prove by substantial evidence that Sabanal has lost full control of his faculties when he jumped overboard. Or, more precisely, whether his unusual behavior prior to the incident is such substantial evidence.

In *Agile Maritime Resources, Inc. v. Siador (Agile)*, which also involved a seafarer jumping overboard, we held that “[s]ince the willfulness may be inferred from the physical act itself of the seafarer (his jump into the open sea), the insanity or mental illness required to be proven must be one that deprived him of the full control of his senses; in other words, there must be sufficient proof to negate voluntariness.”²⁴ The Court of Appeals in *Agile*

¹⁹ As revised by POEA Memorandum Circular No. 41, series of 1989; later superseded by POEA Memorandum Circular No. 9, series of 2000; and currently, by POEA Memorandum Circular No. 10, series of 2010, “Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-Board Ocean-Going Ships.”

²⁰ *Crewlink, Inc. v. Teringtering*, G.R. No. 166803, October 11, 2012, 684 SCRA 12, 21.

²¹ The 2010 POEA-SEC has a similar provision under Section 20(D). It provides:

No compensation and benefits shall be payable in respect of any injury, incapacity, disability or death of the seafarer resulting from his willful or criminal act or intentional breach of his duties, provided however, that the employer can prove that such injury, incapacity, disability or death is directly attributable to the seafarer.

²² *Agile Maritime Resources, Inc. v. Siador*, G.R. No. 191034, October 1, 2014, 737 SCRA 360, 377.

²³ *Id.* at 371-372.

²⁴ *Id.* at 377.

similarly relied on the unusual demeanor and actuations by the seafarer a few days before the incident to conclude that the seafarer was no longer in his right mind, and therefore, his act of jumping into the open sea cannot be considered willful.²⁵ On petition for review, we reversed the Court of Appeals. We held that the seafarer's strange behavior alone is insufficient to prove his insanity. Without proof that his mental condition negated the voluntariness he showed in stepping overboard, the Court of Appeals' finding of insanity was merely speculative.²⁶

We reached a similar conclusion in *Crewlink, Inc. v. Teringtering (Crewlink)*.²⁷ The case involved another seafarer jumping into the sea, with the widow raising the counter-defense that her husband suffered from a psychotic disorder, or Mood Disorder Bipolar Type, to disprove the willfulness of her husband's act. We found the argument unmeritorious because, other than her bare allegation that her husband was suffering from a mental disorder, the claimant presented no evidence, witness, or any medical report to support the claim of insanity. We explained that:

Homesickness and/or family problems may result to depression, but the same does not necessarily equate to mental disorder. The issue of insanity is a question of fact; for insanity is a condition of the mind not susceptible of the usual means of proof. As no man would know what goes on in the mind of another, the state or condition of a person's mind can only be measured and judged by his behavior. Establishing the insanity of [a deceased seafarer] requires opinion testimony which may be given by a witness who is intimately acquainted with the person claimed to be insane, or who has rational basis to conclude that a person was insane based on the witness' own perception of the person, or who is qualified as an expert, such as a psychiatrist. No such evidence was presented to support respondent's claim.²⁸ (Citation omitted.)

Agile and *Crewlink* are squarely applicable to the present case. Elvira did not present any evidence to support her claim that Sabanal was already insane when he jumped overboard. Similar to the claimant in *Agile*, she only relied on the strange behavior of Sabanal as detailed by the ship captain in the ship log and master's report. However, as we already held, while such behavior may be indicative of a possible mental disorder, it is insufficient to prove that Sabanal had lost **full** control of his faculties. In order for insanity to prosper as a counter-defense, the claimant must substantially prove that the seafarer suffered from complete deprivation of intelligence in committing the act or complete absence of the power to discern the consequences of his action. Mere abnormality of the mental faculties does not foreclose willfulness.²⁹ In fact, the ship log shows Sabanal was still able

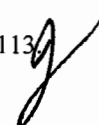
²⁵ *Id.* at 374-375.

²⁶ *Id.* at 378-379.

²⁷ *Supra* note 20.

²⁸ *Id.* at 21.

²⁹ See *People v. Madarang*, G.R. No. 132319, May 12, 2000, 332 SCRA 99, 113



to correct maps and type the declarations of the crew hours before he jumped overboard. The captain observed that Sabanal did not appear to have any problems while performing these simple tasks, while the sailor-on-guard reported that Sabanal did not show any signs of unrest immediately before the incident.³⁰ These circumstances, coupled with the legal presumption of sanity,³¹ tend to belie Elvira's claim that Sabanal no longer exercised any control over his own senses and mental faculties.

The case of *Interorient Maritime Enterprises, Inc. v. NLRC*,³² cited by the Court of Appeals, finds no application here. That case involved a seafarer who was shot dead after he attempted to attack a policeman while at a stopover in Bangkok, Thailand. When the incident occurred, he was already headed to Manila, having been previously repatriated. To avoid liability, the employer claimed that the seafarer's act of running amuck in Bangkok was the cause of his demise. In rejecting the employer's defense, we cited its failure to observe appropriate precautionary measures in handling the seafarer's return trip because it allowed the seafarer, who had already been exhibiting strange behavior, to travel home alone.³³ The primary basis of the employer's liability was, thus, its negligence and nonchalant attitude towards the seafarer. These circumstances, however, do not obtain here. The records show that as soon as the ship captain became aware of Sabanal's unusual behavior, he immediately assigned other sailors to specifically watch over Sabanal. At the time he jumped overboard, Sabanal was actually accompanied by a designated sailor. Unfortunately, the sailor was unable to stop Sabanal from jumping overboard because of the latter's brisk movement. The crew then immediately undertook rescue maneuvers, throwing life buoys into the sea, turning the ship, and lowering the life boats.³⁴ But despite their diligent efforts, they were unable to save Sabanal or recover his body.

While it is true that labor contracts are impressed with public interest and the provisions of the POEA-SEC must be construed logically and liberally in favor of Filipino seafarers in the pursuit of their employment on board ocean-going vessels, still, the rule is that justice is in every case for the deserving, to be dispensed with in the light of established facts, the applicable law, and existing jurisprudence.³⁵

WHEREFORE, the petition is **GRANTED**. The Decision dated May 9, 2011 and Resolution dated September 12, 2011 of the Court of Appeals in CA-G.R. SP No. 103137 are **REVERSED** and **SET ASIDE**. The Decision dated October 31, 2007 and Resolution dated January 30, 2008 of the National Labor Relations Commission are **REINSTATED**.

³⁰ *Rollo*, pp. 173-174.

³¹ CIVIL CODE, Art. 800.

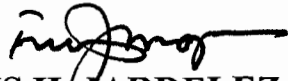
³² G.R. No. 115497, September 16, 1996, 261 SCRA 757.

³³ *Id.* at 770, 772.

³⁴ *Rollo*, pp. 174-175.

³⁵ *Unicol Management Services, Inc. v. Malipot*, G.R. No. 206562, January 21, 2015, 747 SCRA 191, 208-209.

SO ORDERED.

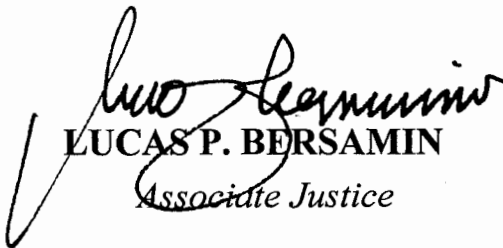


FRANCIS H. JARDELEZA
Associate Justice

WE CONCUR:



PRESBITERO J. VELASCO
Associate Justice
Chairperson



LUCAS P. BERSAMIN
Associate Justice



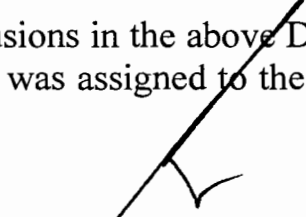
BIENVENIDO L. REYES
Associate Justice



NOEL GIMENEZ TIJAM
Associate Justice

A T T E S T A T I O N

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



PRESBITERO J. VELASCO
Associate Justice
Chairperson, Third Division

CERTIFICATION

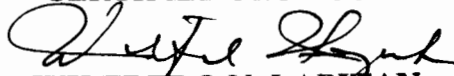
Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO

Chief Justice

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WILFREDO V. LAPID
Division Clerk of Court
Third Division

JUL 20 2017