



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

C.F. SHARP CREW MANAGEMENT, G.R. No. 208981
JAMES FISHER TANKSHIP LTD.,
and/or MR. RAFAEL T. SANTIAGO,
Petitioners,

Present:

LEONEN, J.,
Chairperson,
HERNANDO,
DELOS SANTOS,
GAERLAN,* and
LOPEZ, J. Y., JJ.

- versus -

JIMMY G. JAICTEN,
Respondent.

Promulgated:
February 1, 2021
Mis+DCBatt

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DECISION

HERNANDO, J.:

Challenged in this Petition for Review on *Certiorari*¹ is the January 22, 2013 Decision² and August 30, 2013 Resolution³ of the Court of Appeals (CA) in CA-G.R. SP No. 119017 which affirmed the November 30, 2010 Decision⁴ and February 11, 2011 Resolution⁵ of the National Labor Relations Commission (NLRC) in NLRC LAC No. OFW (M) 06-000458-10/NLRC NCR OFW Case No. (M)-09-12773-09.

* Designated as additional member per raffle dated January 20, 2021 vice J. Inting who recused; J. Socorro B. Inting with participation in the Court of Appeals.

¹ *Rollo*, pp. 31-50.

² CA *rollo*, pp. 377-389, penned by Associate Justice Stephen C. Cruz and concurred in by Associate Justices Magdangal M. De Leon and Myra V. Garcia-Fernandez.

³ Id. at 417-418.

⁴ Id. at 35-43.

⁵ Id. at 44-46.

The NLRC found petitioners C.F. Sharp Crew Management (C.F. Sharp) and James Fisher Tankship, Ltd. (JFTL) jointly and severally liable to pay disability benefits to respondent Jimmy G. Jaicten (Jaicten) amounting to US\$60,000.00 plus 10% thereof as attorney's fees.⁶

The Antecedents:

In his complaint for disability benefits, moral damages, exemplary damages and attorney's fees, Jaicten alleged that he was employed on April 30, 2008 by C.F. Sharp, for and in behalf of its foreign principal JFTL, as a Bosun on board M/V Cumbrian Fisher for nine months. He was declared fit to work during his pre-employment medical examination.⁷

However, on October 5, 2008, he suffered chest pains which lasted for two days and was brought to the Belfast City Hospital in Ireland, United Kingdom where he was diagnosed with non-ST myocardial infarction. He underwent coronary arteriography and balloon dilation with stenting. After his discharge from the hospital, he was repatriated on October 30, 2008 and referred to Sachly International Health Partners Clinic (SIHPC).⁸

On January 7, 2009, the company-designated physician certified Jaicten as fit to work. He sought the medical opinion of his doctor of choice, Dr. Efred Vicaldo (Dr. Vicaldo) of the Philippine Heart Center, who declared him unfit to resume sea duties. Hence, Jaicten filed a complaint for payment of total and permanent disability benefits, moral damages, exemplary damages and attorney's fees.⁹

Petitioners argued that respondent is not entitled to permanent and total disability benefits. They claimed that the company-designated physician, Dr. Susannah Ong-Salvador (Dr. Ong-Salvador), had already declared Jaicten to be fit to resume sea duties. Jaicten himself even signed the Certificate of Fitness to Work. He was then lined up for re-employment. However, eight months from being cleared to resume to work, Jaicten filed a claim for disability benefits.¹⁰

Ruling of the Labor Arbiter (LA):

The LA dismissed¹¹ Jaicten's complaint and found him not entitled to disability benefits. The LA noted that Jaicten himself agreed and confirmed his fitness to work when he signed the Certificate for Fitness to Work which barred him from claiming disability benefits. The LA further sustained petitioners' claim that when Jaicten re-applied for employment and underwent another pre-employment medical examination, he was found to be fit for sea duties and for which reason he was already lined up for deployment. The LA also held that

⁶ *Id.* at 43.

⁷ *Id.* at 378.

⁸ *Id.* at 378-379.

⁹ *Id.* at 48.

¹⁰ *Rollo*, pp. 37-42.

¹¹ *CA rollo*, pp. 47-54.

petitioners are not obliged to rehire Jaicten since his employment was contractual in nature.

Ruling of the NLRC:

The NLRC reversed the ruling of the LA and granted respondent Jaicten's claim for disability benefits. The NLRC gave credence to Dr. Vicaldo's medical opinion that respondent is suffering from a permanent disability due to his elevated blood pressure. The NLRC noted that Dr. Vicaldo's assessment is consistent with the assessment of the company-designated physician that Jaicten must continue to take his medications even after undergoing surgical intervention.¹²

Moreover, Jaicten's signing of a *pro-forma* Certificate of Fitness to Work did not negate his non-deployment by petitioners. According to the NLRC, respondent's lingering hypertensive cardiovascular disease and the fact that an artificial device is attached to his coronary system entitled him to permanent and total disability benefits in the amount of US\$ 60,000.00 and 10% thereof as attorney's fees.¹³

Petitioners' motion for reconsideration was denied by the NLRC in its February 11, 2011 Resolution.¹⁴

Ruling of the CA:

The appellate court dismissed the Petition for *Certiorari* filed by the petitioners and affirmed the ruling of the NLRC granting permanent and total disability benefits to Jaicten. It ruled that respondent's medical condition bars him from returning to his job as a seafarer. The CA held that petitioners' failure to redeploy Jaicten despite having been declared as fit to work by the company-designated doctors meant that his disability was permanent and total.¹⁵

The appellate court gave more weight to the findings of Dr. Vicaldo. It found the medical opinion of the company-designated doctors biased and questionable. While respondent's non-deployment did not mean disability on his part, his waiting time for such a long period of 11 months from repatriation, puts in doubt petitioners' claim that he was fit to work.¹⁶

Moreover, the CA held that the Certificate of Fitness to Work signed by Jaicten himself did not controvert the fact that he was suffering from hypertensive cardiovascular condition which diminished or impaired his earning capacity as he could no longer work as a seafarer. The records show that Jaicten was never rehired by petitioners nor by any other employer.¹⁷

¹² Id. at 41-42.

¹³ Id. at 42.

¹⁴ Id. at 44-46.

¹⁵ Id. at 384.

¹⁶ Id. at 386.

¹⁷ Id. at 387.

Petitioners' bid for reconsideration proved futile when it was denied by the appellate court in its August 30, 2013 Resolution.

Hence, this Petition.

Issue

Whether or not Jaicten is entitled to permanent total disability benefits and attorney's fees.

Our Ruling

We find the Petition meritorious.

Section 20[B] of the 2000 Philippine Overseas Employment Administration-Standard Employment Contract (POEA-SEC) which incorporated the 2000 Amended Standard Terms and Conditions Governing the Employment of Filipino Seafarers on Board Ocean-Going Vessels provides:

Section 20 [B]. Compensation and Benefits for Injury or Illness. –

x x x x

2. x x x

However, if after repatriation, the seafarer still requires medical attention arising from said injury or illness, he shall be so provided at cost to the employer until such time as he is declared fit or the degree of his disability has been established by the company-designated physician.

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 his 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 as 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.

If a doctor appointed by the seafarer disagrees with the assessment, a third doctor may be agreed jointly between the employer and the seafarer. The third doctor's decision shall be final and binding on both parties.

Settled is the rule that the company-designated physician is tasked with assessing the seafarer's disability, whether total or partial, due to either injury or illness, during the term of the latter's employment.¹⁸ However, his or her assessment is not automatically final, binding or conclusive on the claimant, the

¹⁸ *Coastal Safeway Marine Services, Inc. v. Esguerra*, 671 Phil. 56, 65-66 (2011).

labor tribunal or the courts¹⁹ as its inherent merits would still be weighed and duly considered. Moreover, the seafarer has the right to dispute such assessment by consulting his own doctor. In addition, in case of disagreement between the findings of the company-designated physician and the seafarer's doctor of choice, both parties may agree to jointly refer the matter to a third doctor whose decision shall be final and binding on them.

Respondent anchored his claim for total and permanent disability benefits on the medical certificate²⁰ issued by Dr. Vicaldo on May 6, 2009 who assessed his alleged disability as Impediment Grade VII (41.80%). However, a perusal of said medical certification would show that it is not supported by any diagnostic test and/or procedure as to effectively and adequately refute the assessments made, and tests administered, by the company-designated physician, Dr. Ong-Salvador and her team at SIHPC. True, respondent was required to continue his medications even after he was declared fit to work; however, this did not discredit the findings of the company-designated physician that respondent is fit to resume sea duties. Said doctor monitored his medical condition and conducted several tests such as 2D Echo with Doppler Result,²¹ CBC,²² Urinalysis,²³ Physical Examinations²⁴ and Stress Test²⁵ over a period of more or less three months since he was repatriated.

As between the findings of the company-designated physicians who conducted extensive examination on respondent, on one hand, and Dr. Vicaldo, on the other, who saw him on only one occasion and did not even perform any medical test to support his assessment, the former's should prevail. As explained in *Philman Marine v. Cabanban*:²⁶

In several cases, we held that the doctor who have had a personal knowledge of the actual medical condition, having closely, meticulously and regularly monitored and actually treated the seafarer's illness, is more qualified to assess the seafarer's disability. In *Coastal Safeway Marine Services, Inc. v. Esguerra*, the Court significantly brushed aside the probative weight of the medical certifications of the private physicians, which were based merely on vague diagnosis and general impressions. Similarly in *Ruben D. Andrada v. Agemar Manning Agency, Inc., et al.*, the Court accorded greater weight to the assessments of the company-designated physician and the consulting medical specialist which resulted from an extensive examination, monitoring and treatment of the seafarer's condition, in contrast with the recommendation of the private physician which was "based only on a single medical report x x x [outlining] the alleged findings and medical history x x x obtained after x x x [one examination]".²⁷

¹⁹ *Maunlad Transport, Inc. v. Manigo, Jr.*, 577 Phil. 319, 328 (2008).

²⁰ CA rollo, p. 114.

²¹ Id. at 89.

²² Id. at 90-91.

²³ Id.

²⁴ Id.

²⁵ Id.

²⁶ 715 Phil. 454 (2013).

²⁷ Id. at 476-477.

Moreover, Jaicten's signing of the Certificate of Fitness to Work²⁸ effectively released petitioners from any liability arising from his repatriation due to medical reasons. In the absence of any showing that petitioners coerced or duped him into signing the said certificate, he should be bound by the conditions thereof. His allegation that he signed it on the belief he would be re-deployed is not supported by evidence. On the contrary, respondent's admission that he underwent another pre-employment medical examination to seek another employment with petitioners belied his claim of permanent and total disability. It was only after he failed to gain another employment that he opted to file this complaint.

In addition, it has not escaped Our notice that Dr. Vicaldo himself did not declare respondent entitled to permanent and total disability benefits or Grade 1 but only to disability benefits equivalent to Grade VII. Also, respondent failed to comply with the third-doctor referral procedure before filing his complaint which proved prejudicial to his case. In fine, Jaicten's suit for permanent and total disability benefits lacked bases.

At this juncture, it must also be stated that seafarers and overseas contract workers are not covered by the term "regular employment" as defined in Article 280 of the Labor Code.²⁹ Thus, petitioners are not under obligation to rehire respondent after the termination of his contract. Thus, the fact that he was not employed immediately after he was declared fit to resume sea duties should not be taken against petitioners.

Finally, attorney's fees are awarded by way of exception when a defendant acted in evident and gross bad faith which Jaicten failed to prove by substantial evidence. Petitioners accorded him medical treatment upon his repatriation and relied in good faith on the company-designated physician's assessment that he was fit to work as a seafarer.

In sum, we hold that respondent is not entitled to total and permanent disability benefits. The CA therefore erred in affirming the ruling of the NLRC which granted total and permanent total disability benefits to Jaicten despite insufficiency of evidence to justify the grant thereof.

WHEREFORE, the Petition is **GRANTED**. The January 22, 2013 Decision and August 30, 2013 Resolution of the Court of Appeals in CA-G.R. SP No. 119017 are hereby **REVERSED** and **SET ASIDE**. The May 6, 2010 Decision of the Labor Arbiter dismissing the complaint and finding respondent not entitled to disability benefits is **REINSTATED** and **AFFIRMED**.

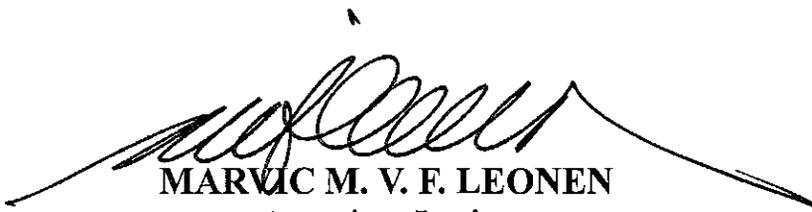
²⁸ CA rollo, p. 92.

²⁹ *Brent School, Inc. v. Zamora*, 260 Phil. 747 (1990).

SO ORDERED.


RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:


MARVIC M. V. F. LEONEN
Associate Justice
Chairperson


EDGARDO L. DELOS SANTOS
Associate Justice


SAMUEL H. GAERLAN
Associate Justice


JHOSEP Y. LOPEZ
Associate Justice

ATTESTATION

I attest that 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.



MARVIC M. V. F. LEONEN
Associate Justice
Chairperson

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.



DIOSDADO M. PERALTA
Chief Justice