



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

SEACREST MARITIME
MANAGEMENT, INC.,
ROLANDO B. MAGCALE, AND
SEALION SHIPPING LIMITED –
UNITED KINGDOM,

Petitioners,

- versus -

G.R. No. 209383

Present:

CARPIO, J., Chairperson,
BRION,
DEL CASTILLO,
MENDOZA, and
LEONEN, JJ.

Promulgated:

MAURICIO G. PICAR, JR.,
Respondent.

MAR 11 2015 *HW Cabalag Perfecto*

X ----- X

DECISION

MENDOZA, J.:

This is a petition for review under Rule 45 of the Rules of Court assailing the May 2, 2013 Decision¹ and the September 9, 2013 Resolution² of the Court of Appeals (CA) in CA-G.R. SP No. 124763, which dismissed, for being moot and academic, the petition for *certiorari* filed under Rule 65 questioning the decision of the National Labor Relations Commission (NLRC), in a case for disability benefits.

The Antecedents

Respondent Mauricio Picar, Jr. (*Picar*) was employed by petitioner Sealion Shipping Limited – United Kingdom through its local manning agent Seacrest Maritime Management, Inc. (*petitioners*), as Chief Cook continuously for several contracts from April 2005 until his last employment contract in 2010, on board the vessel, “MV Toisa Paladin.” The last contract

¹ *Rollo*, pp. 102-114. Penned by Associate Justice Priscilla J. Baltazar-Padilla with Associate Justices Rosalinda Asuncion-Vicente and Agnes Reyes-Carpio, concurring.

² *Id.* at 116-118.

was for a fixed duration of three (3) months which commenced on September 5, 2010 with a basic salary of US\$630.00 exclusive of overtime pay and other benefits.³

On September 24, 2010, Picar experienced high fever, chilling, lumbar back pain, and difficulty in urinating accompanied with blood. He was referred for medical treatment to the Maritime Medical Center PTE, Ltd in Singapore (*MMC*). He was diagnosed with Urinary Tract Infection (*UTI*) and Renal Calculus. After his check-up, he was required to go back to the vessel and take a rest. On September 28, 2010, he was brought back to MMC where he was confined until October 1, 2010. On October 2, 2010, he was repatriated.⁴

Upon his arrival in Manila, Picar was referred to Dr. Natalio G. Alegre (*Dr. Alegre*) at St. Luke's Medical Center (*SLMC*). On October 21, 2010, he underwent sonography of his kidneys and urinary bladder, which showed "*renal cyst on his right kidney; calyceal lithiasis, right; and normal urinary bladder; slightly enlarged prostate gland was noted.*" Dr. Alegre repeatedly recommended that he undergo extracorporeal shockwave lithotripsy for the dissolution of his right kidney stone.⁵

On February 23, 2011, Picar consulted Dr. Efren R. Vicaldo (*Dr. Vicaldo*) who also diagnosed him to be suffering from *Right Renal Calculus, Essential Hypertension*. Dr. Vicaldo considered his illness as work aggravated/related and declared him unfit to resume work as a seafarer in any capacity.⁶

Picar then filed a complaint for permanent disability compensation, balance of sick wages, reimbursement of medical expenses, moral and exemplary damages, and attorney's fees.

On June 22, 2011, the Labor Arbiter (*LA*) rendered judgment⁷ in favor of Picar. The LA found that his illness was work-related and that the nature of his work as a chief cook contributed to the aggravation of his condition. The dispositive portion of the decision reads:

³ Id. at 104.

⁴ Id.

⁵ Id.

⁶ Id. at 134.

⁷ Id. at 120-130.

WHEREFORE, premises considered, judgment is hereby rendered ordering respondents to pay jointly and severally the complainant his permanent disability compensation in the sum of US\$60,000.00, balance of sick wages in the sum of US\$1,890.00, moral damages in the sum of ₱200,000.00, exemplary damages in the sum of ₱200,000.00, and ten percent (10%) of the judgment award as attorney's fees.

All other claims are dismissed for lack of merit.

SO ORDERED.⁸

On appeal, the NLRC affirmed *in toto* the decision of the LA.⁹ The NLRC ruled that Picar's disability was permanent as he was totally unable to perform his job for more than 120 days from his repatriation. In support of its ruling, it cited the case of *Remigio v. NLRC*¹⁰ where it was held that if an employee was unable to perform his customary job for more than 120 days and did not come within the coverage of Rule X of the Amended Rules on Employees Compensability (which, in more detailed manner, describes what constitutes temporary total disability), then the said employee undoubtedly suffered from permanent total disability regardless of whether or not he lost the use of any part of his body.

Aggrieved, petitioners elevated the matter to the CA.

In the meantime, Picar moved for the execution of the LA decision. On July 3, 2012, the LA issued a Writ of Execution for the enforcement and full satisfaction of its decision. Consequently, petitioners paid the judgment award as evidenced by the Satisfaction of Judgment pursuant to a Writ of Execution with Acknowledgment Receipt executed by the NLRC-NCR Sheriff on August 13, 2012.¹¹

In its assailed Decision, dated May 2, 2013, the CA dismissed the petition. Citing the case of *Career Philippines Ship Management, Inc. v. Madjus*,¹² the CA ruled that the payment by petitioners of the judgment award constituted an amicable settlement that had rendered the petition moot and academic. The dispositive portion of the decision reads:

WHEREFORE, in light of the foregoing considerations, the instant petition is DISMISSED for having become MOOT AND ACADEMIC.¹³

⁸ Id. at 130.

⁹ Id. at 132-140.

¹⁰ April 12, 2006.

¹¹ *Rollo*, p. 108.

¹² 650 Phil. 157 (2010).

¹³ *Rollo*, p. 113.

Petitioners filed a motion for reconsideration of the said decision, but it was denied in the CA Resolution , dated September 9, 2013.

Hence, this petition.

Issues and Arguments

For resolution is the sole issue of whether the CA committed reversible error in dismissing the petition for having become moot and academic.

Petitioners contend that the settlement of the judgment award was by virtue of a writ of execution duly issued and was effected specifically without prejudice to further recourse before the CA. There was nothing voluntary about the satisfaction of the judgment award made in strict and compulsory compliance with Rule XI, Section 8 of the 2011 NLRC Rules of Procedure. The terms of the settlement were fair to both the employer and the employee. Hence, the ruling in *Career Philippines*, relied upon by the CA, was inapplicable.

On April 14, 2014, Picar filed his Comment¹⁴ wherein he stresses that the CA committed no error in dismissing the petition. He asserts that the voluntary satisfaction by petitioners of the full judgment award rendered the said petition moot and was a clear indication that petitioners believed on the merits and judiciousness of the award for disability compensation.

Petitioners fault the CA for dismissing outright the petition for being moot and academic instead of resolving the same on its merits.

The Court's Ruling

As correctly argued by petitioners, the petition for *certiorari* before the CA was not rendered moot and academic by their satisfaction of the judgment award in compliance with the writ of execution issued by the LA. The CA cited *Career Philippines*, but it finds no application here. *Career Philippines* was resolved on equitable considerations. In the said case, while petitioner employer had the luxury of having other remedies available to it such as its petition for *certiorari* pending before the CA and an eventual appeal to this Court, respondent seafarer could no longer pursue other claims, including for interests that may accrue during the pendency of the case. Thus, it was held that the LA and the CA could not be faulted for

¹⁴ Id. at 766-775.

interpreting petitioner's "conditional settlement" to be tantamount to an amicable settlement of the case resulting in the mootness of the petition for *certiorari*.

In this case, no such document was executed between the parties. The payment of the judgment award without prejudice by petitioners required no obligations whatsoever on the part of Picar.

The case of *Leonis Navigation v. Villamater*(*Leonis Navigation*)¹⁵ is more in point, where the Court explained:

Petitioners never moved for a reconsideration of this Order regarding the voluntariness of their payment to Sonia, as well as the dismissal with prejudice and the concomitant termination of the case.

However, petitioners argued that the finality of the case did not render the petition for *certiorari* before the CA moot and academic. On this point, we agree with petitioners.

In the landmark case of *St. Martin Funeral Home v. NLRC*,¹⁶ we ruled that judicial review of decisions of the NLRC is sought via a petition for *certiorari* under Rule 65 of the Rules of Court, and the petition should be filed before the CA, following the strict observance of the hierarchy of courts. Under Rule 65, Section 4,¹⁷ petitioners are allowed sixty (60) days from notice of the assailed order or resolution within which to file the petition. Thus, although the petition was not filed within the 10-day period, petitioners seasonably filed their petition for *certiorari* before the CA within the 60-day reglementary period under Rule 65.

Further, a petition for *certiorari* does not normally include an inquiry into the correctness of its evaluation of the evidence. Errors of judgment, as distinguished from errors of jurisdiction, are not within the province of a special civil action for *certiorari*, which is merely confined to issues of jurisdiction or grave abuse of discretion. It is, thus, incumbent upon petitioners to satisfactorily establish that the NLRC acted capriciously and whimsically in order that the extraordinary writ of *certiorari* will lie. By grave abuse of discretion is meant such capricious and whimsical exercise of judgment as is equivalent to lack of jurisdiction, and it must be shown that the discretion was exercised arbitrarily or despotically.¹⁸ (Emphasis supplied)

¹⁵ 628 Phil. 81 (2010).

¹⁶ 356 Phil. 811 (1998).

¹⁷ SEC. 4. When and where position filed. - The petition shall be filed not later than sixty (60) days from notice of the judgment, order or resolution. In case a motion for reconsideration or new trial is timely filed, whether such motion is required or not, the sixty (60) day period shall be counted from notice of the denial of said motion.

¹⁸ *Leonis Navigation v. Villamater*, supra note 16, at 91-92.

Adhering to the pronouncement in *Leonis Navigation*, the Court, in *Philippine Transmarine Carriers, Inc. v. Legaspi (Transmarine)*,¹⁹ held that the satisfaction of the monetary award by the employer did not render the petition for *certiorari* moot before the CA. In *Transmarine*, pursuant to a writ of execution issued, the employer ship-owner/manning agency and the complaining seafarer agreed to a settlement of the judgment award. It was, however, stipulated that the settlement shall be *without prejudice* to the pending petition for *certiorari* filed by the employer before the CA. It was further agreed that, in the event that the petition would be granted and the judgment award would be eventually reversed, whether in full or partially, the seafarer shall return all amounts in excess of what he would be entitled to and the employer shall be allowed to file the necessary motion for the return or restitution of the amount unjustly paid. The parties' covenants, as well as the acknowledgment by the seafarer of receipt in full of the judgment award, were embodied in a receipt of the judgment award with undertaking. The CA, upon being informed of the settlement, dismissed the petition for *certiorari* for being moot and academic. In support of the dismissal, the CA also relied on *Career Philippines*. In reversing and setting aside the order of dismissal issued by the CA, the Court in *Transmarine* wrote:

In *Career Philippines*, believing that the execution of the LA Decision was imminent after its petition for injunctive relief was denied, the employer filed before the LA a pleading embodying a conditional satisfaction of judgment before the CA and, accordingly, paid the employee the monetary award in the LA decision. In the said pleading, the employer stated that the conditional satisfaction of the judgment award was without prejudice to its pending appeal before the CA and that it was being made only to prevent the imminent execution.

The CA later dismissed the employer's petition for being moot and academic, noting that the decision of the LA had attained finality with the satisfaction of the judgment award. This Court affirmed the ruling of the CA, interpreting the "conditional settlement" to be tantamount to an amicable settlement of the case resulting in the mootness of the petition for *certiorari*, considering (i) that the employee could no longer pursue other claims, and (ii) that the employer could not have been compelled to immediately pay because it had filed an appeal bond to ensure payment to the employee.

Stated differently, the Court ruled against the employer because the conditional satisfaction of judgment signed by the parties was highly prejudicial to the employee. The agreement stated that the payment of the monetary award was without prejudice to the right of the employer to file a petition for *certiorari*

¹⁹ G.R. No. 202791, June 10, 2013, 698 SCRA 280.

and appeal, while the employee agreed that she would no longer file any complaint or prosecute any suit of action against the employer after receiving the payment.

X X X X


In the present case, the Receipt of the Judgment Award with Undertaking was fair to both the employer and the employee. As in *Leonis Navigation*, the said agreement stipulated that respondent should return the amount to petitioner if the petition for certiorari would be granted but without prejudice to respondent's right to appeal. The agreement, thus, provided available remedies to both parties.

It is clear that petitioner paid respondent subject to the terms and conditions stated in the Receipt of the Judgment Award with Undertaking. Both parties signed the agreement. Respondent neither refuted the agreement nor claimed that he was forced to sign it against his will. Therefore, the petition for certiorari was not rendered moot despite petitioner's satisfaction of the judgment award, as the respondent had obliged himself to return the payment if the petition would be granted.²⁰

Verily in this case, petitioners satisfied the judgment award in strict compliance with a duly issued writ of execution and pursuant to terms fair to both parties. Thus, the equitable ruling in *Career Philippines* would certainly be unfair to petitioners in this case as they still have a remedy under the rules. The CA, therefore, was in error in dismissing the petition for being moot and academic.

WHEREFORE, the petition is **GRANTED**. The May 2, 2013 Decision and the September 9, 2013 Resolution of the Court of Appeals in CA-G.R. SP No. 124763 are **REVERSED** and **SET ASIDE**. The case is ordered **REMANDED** to the Court of Appeals for decision on the merits.

SO ORDERED.


JOSE CATRAL MENDOZA
Associate Justice

²⁰ Id. at 289-291.

WE CONCUR:



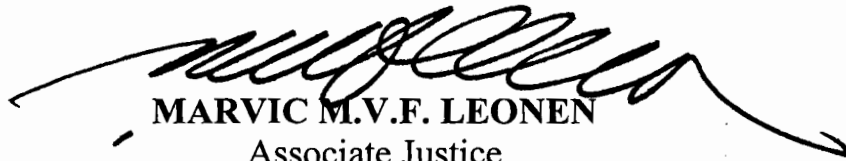
ANTONIO T. CARPIO
Associate Justice
Chairperson



ARTURO D. BRION
Associate Justice



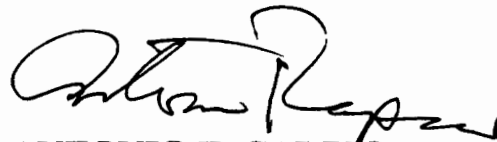
MARIANO C. DEL CASTILLO
Associate Justice



MARVIC M.V.F. LEONEN
Associate Justice

ATTESTATION

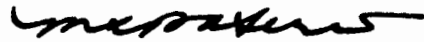
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ANTONIO T. CARPIO
Associate Justice
Chairperson, Second 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