Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

RONNIE L. SINGSON,
Petitioner,

- *versus* -

ARKTIS MARITIME CORP./ FILPRIDE SHIPPING, CO., INC./PROSPER MARINE PRIVATE LTD.,
Respondents.

G.R. No. 214542

Present:

LEONEN, *J.*,
Chairperson,
HERNANDO,
INTING,
LOPEZ,* and
ROSARIO, *JJ.*

Promulgated:

January 13, 2021

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DECISION

HERNANDO, *J.*:

This Petition for Review on *Certiorari*[1] seeks to set aside the May 31, 2013 Decision,[2] and August 15, 2014 Resolution[3] of the Court of Appeals (CA) in CA-G.R. SP No. 07134 denying petitioner Ronnie Singson's (Ronnie) claim for permanent and total disability benefits.

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* Designated as additional Member per raffle dated December 21, 2020 vice *J.* Delos Santos who recused himself for having penned the assailed Decision of the Court of Appeals.

1 *Rollo*, pp. 10-29.

2 Id. at 32-44; penned by Associate Justice Edgardo L. Delos Santos (now a Member of this Court) and concurred in by Associate Justices Pamela Ann Abella Maxino and Maria Elisa Sempio Diy.

3 Id. at 47-48; penned by Associate Justice Edgardo L. Delos Santos (now a Member of this Court) and concurred in by Associate Justices Pamela Ann and Jhosep Y. Lopez.

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Antecedent Facts:

On January 13, 2010, respondent Fil-Pride Shipping Co. (Fil-Pride), for and in behalf of its foreign principal, respondent Prosper Marine Private Ltd. (Prosper)[4] hired Ronnie as "third engineer officer" on board the vessel "M/T Atlanta 2" for a period of 10 months.[5]

Ronnie boarded the vessel on January 20, 2010 and commenced his employment.[6] Concurrently, Fil-Pride was replaced by Arktis Maritime Corp. (Arktis) as the new manning agent of Prosper.[7]

On October 13, 2010, petitioner complained of severe stomach pains and was confined at the Citymed Hospital in Singapore. On October 14, 2010, Dr. Noel Yao, petitioner's attending physician, declared him to be fit to rejoin the vessel with rest on board for three more days.[8] When his condition did not improve, petitioner was recommended for repatriation.

He arrived in Manila on October 17, 2010.[9] The following day, he was referred for a medical check-up at the company's accredited clinic, Christian Medical Clinic, Inc.[10] The company physician, Dr. Lyn C. de Leon (Dr. de Leon), diagnosed petitioner as suffering from "cholecystlithiasis and r/o pancreatic pseudo cyst," with a recommendation for surgery.[11]

About four months later, or exactly 134 days from petitioner's arrival in Manila, he again underwent an examination. This time, he was declared by Dr. de Leon as "fit to work" in the Medical Report dated February 28, 2011.[12]

On September 12, 2011, petitioner filed a complaint against respondents Arktis, Fil-Pride, and Prosper for the payment of his disability benefits, sickness allowance, refund of medical expenses, as well as damages and attorney's fees.[13]

Petitioner alleged that after he was diagnosed with the disease and recommended for surgery, Arktis took no action on the same.[14] Consequently, he consulted Dr. Villanueva who recommended that he undergo an

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4 Id. at 32.
5 Id.
6 Id.
7 Id. at 33.
8 Id.
9 Id.
10 Id.
11 Id.
12 Id. at 33.
13 Id.
14 Id. at 34.

operation.[15] Due to Arktis' inaction, petitioner claimed that he was forced to undertake medication at his own expense without receiving any assistance from the respondents.[16] He further alleged that Arktis denied him his sickness and medical benefits and failed to give him an assessment of his disability.[17] Considering that he contracted the illness during the term of his employment contract, he maintained that his illness was work-related.[18]

Moreover, petitioner argued that for more than a year since his medical repatriation on October 17, 2010, he has been unable to resume work as a seafarer and there has been no finding or declaration from the company-designated physician regarding his disability.[19] Consequently, he prayed for payment of permanent and total disability benefits, the refund of his medical expenses, damages and attorney's fees.[20]

On the other hand, respondents alleged that petitioner was no longer in their employ after the latter voluntarily disembarked from "M/T/ Atlanta 2" on October 17, 2010.[21] In the absence of an employment relationship between the parties, respondents claimed that no liability should attach to them especially since petitioner himself freely executed a letter of appreciation in favor of the company.[22] Respondents also stressed that petitioner was already declared as fit to work by the company physician.[23]

Ruling of the Labor Arbiter (Arbiter):

The Arbiter granted[24] petitioner's claim for disability benefits, as follows:

> WHEREFORE, premises considered, respondents ARKTIS MARITIME CORPORATION, FIL-PRIDE SHIPPING COMPANY, INC. AND PROSPER MARINE PRIVATE LTD., are hereby Ordered to pay complainant jointly and solidarily the following amounts:
>
> 1. Full Disability Benefits - US$60,000.00
> 2. Sickness Allowance - US$3964.00
> 3. Refund of Medical Expenses - ₱9,396.00
> 4. Moral Damages - US$10,000.00
> 5. Exemplary Damages - US$5,000.00
> 6. Attorney's Fees (10% of the total monetary awards)

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15 Id.
16 Id.
17 Id.
18 Id.
19 Id.
20 Id. at 34.
21 Id.
22 Id.
23 Id.
24 *CA rollo*, pp. 78-84.

The awards in U.S. Dollars are convertible to Philippine Currency on the date of actual payment.

The rest of the claims are **DISMISSED** for lack of merit.

SO ORDERED.[25]

Ruling of the National Labor Relations Commission:

Aggrieved, respondents filed an appeal with the NLRC by submitting their Memorandum of Appeal[26] and attaching a Motion to Reduce Bond and Admit Surety Bond[27] in the amount of ₱800,000. However, the NLRC dismissed their appeal in its March 15, 2012 Resolution[28] on the ground that it was filed out of time. Consequently, it denied their motion to reduce the appeal bond.[29]

Respondents filed a Motion for Reconsideration insisting on the timeliness of their appeal as shown by the registry return receipts and the affidavit of the person who served the registered mail, and the certification from the postmaster.[30]

On August 23, 2012, the NLRC issued a Resolution[31] holding that the appeal was indeed filed on time, as posited by respondents. Nevertheless, the NLRC resolved the respondents' Motion for Reconsideration in this wise:

In the instant case, We do not find merit in respondents' request to be allowed to post a reduced cash bond.

x x x x

In the instant case, We do not find any grave abuse of discretion on the part of the Labor Arbiter when he found for complainant and when he cited the case of the *Heirs of the Late Radio Operator Reynaldo Aniban v. NLRC*. The Labor Arbiter also correctly awarded complainant full disability benefits, sickness allowance, damages and attorney's fees.

WHEREFORE, premises considered, respondent's motion for reconsideration is DENIED and their appeal DISMISSED.

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[25] Id. at 83-84.
[26] Id. at 85-107.
[27] Id. at 116-121.
[28] Id. at 21-33.
[29] Id. at 22.
[30] Id. at 151-158.
[31] Id. at 25-33.

SO ORDERED.[32]

Ruling of the Court of Appeals:

Aggrieved, Arktis filed a Petition[33] for *Certiorari* imputing grave abuse of discretion on the NLRC in denying their motion for reconsideration and dismissing their appeal. Moreover, the monetary awards in favor of petitioner were baseless considering that petitioner's illness was not work-related.

In its assailed May 31, 2013 Decision,[34] the appellate court reversed the ruling of the NLRC. It found petitioner not entitled to permanent and total disability benefits. The *fallo* of the appellate court's Decision reads:

> **WHEREFORE**, in view of the foregoing premises, the petition is hereby GRANTED. The assailed Resolutions dated 15 March 2012 and 23 August 2012 promulgated by the National Labor Relations Commission Seventh Division in Cebu City in NLRC Case No. OFW VAC-02-000008-2012 are REVERSED AND SET ASIDE. A new judgment is accordingly rendered ordering Arktis, Fil-Pride and Prosper to jointly and severally pay Singson the following amounts:
>
> 1) sickness allowance equivalent to Singson's basic wage corresponding to the 134 days he was unable to work amounting to US$4426.47;
>
> 2) refund of Singson's medical expenses amounting to Php9,396;
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> 3) moral damages of Php30,000;
>
> 4) exemplary damages of Php20,000;
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> 5) attorney's fees of Php20,000.
>
> **SO ORDERED.**[35]

Dissatisfied, petitioner filed a Motion for Reconsideration[36] but it was denied by the appellate court in its August 15, 2014 Resolution.[37]

Hence, the instant Petition raising the sole –

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[32] Id. at 31-32.
[33] Id. at 3-19.
[34] *Rollo*, pp. 32-44.
[35] Id. at 43-44.
[36] CA *rollo*, pp. 445-455.
[37] *Rollo*, pp. 47-48.

Issue

Whether or not the CA committed serious errors of law in ruling that he is not entitled to the award of total and permanent disability benefits.[38]

Our Ruling

The Petition is denied.

The mere lapse of the 120-day period under Article 198(c)(1) of the Labor Code does not automatically give rise to a cause of action for a claim of permanent total disability benefits.

To determine whether or not an error of law was committed, we must first examine what the applicable law actually says. Relevantly, how "permanent total disability" is defined under the law is of utmost importance to the resolution of sole issue in this petition. Article 198 (formerly Article 192) of the Labor Code, as amended, defines "permanent total disability" as follows:

> Article 198. [192] *Permanent total disability.* – x x x
>
> x x x x
>
> (c)The following disabilities shall be deemed total and permanent:
>
> (1) Temporary total disability lasting continuously for more than one hundred twenty days, except as otherwise provided for in the Rules;
>
> (2) Complete loss of sight of both eyes;
>
> (3) Loss of two limbs at or above the ankle or wrist;
>
> (4) Permanent complete paralysis of two limbs;
>
> (5) Brain injury resulting in incurable imbecility or insanity; and
>
> (6) Such cases as determined by the Medical Director of the System and approved by the Commission.

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[38] Id. at 11.

> (d) The number of months of paid coverage shall be defined and approximated by a formula to be approved by the Commission. (Emphasis supplied)

Vergara v. Hammonia Maritime Services, Inc.(Vergara)[39] clearly clarifies that the qualifying phrase "except as otherwise provided in the Rules" quoted above means those rules adopted to implement the provisions of the Labor Code, to wit:

> In this respect and in the context of the present case, Article 192(c)(1) of the Labor Code provides that:
>
> > x x x The following disabilities shall be deemed **total and permanent**:
> >
> > (1) Temporary total disability lasting continuously for more than one hundred twenty days, **except as otherwise provided in the Rules**;
> >
> > x x x
>
> The rule referred to - Rule X, Section 2 of the Rules and Regulations implementing Book IV of the Labor Code - states:
>
> > Period of entitlement. - (a) The income benefit shall be paid beginning on the first day of such disability. If caused by an injury or sickness it shall not be paid longer than 120 consecutive days except where such injury or sickness still requires medical attendance beyond 120 days but not to exceed 240 days from onset of disability in which case **benefit for temporary total disability** shall be paid. However, the System may declare the total and permanent status at any time after 120 days of continuous temporary total disability as may be warranted by the degree of actual loss or impairment of physical or mental functions as determined by the System.
>
> These provisions are to be read hand in hand with the POEA Standard Employment Contract whose Section 20 (3) states:
>
> > 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.
>
> As these provisions operate, the seafarer, upon sign-off from his vessel, must report to the company-designated physician within three (3) days from arrival for diagnosis and treatment. For the duration of the treatment but in no

[39] 588 Phil. 895 (2008).

> case to exceed 120 days, the seaman is on temporary total disability as he is totally unable to work. He receives his basic wage during this period until he is declared fit to work or his temporary disability is acknowledged by the company to be permanent, either partially or totally, as his condition is defined under the POEA Standard Employment Contract and by applicable Philippine laws. If the 120 days initial period is exceeded and no such declaration is made because the seafarer requires further medical attention, then the temporary total disability period may be extended up to a maximum of 240 days, subject to the right of the employer to declare within this period that a permanent partial or total disability already exists. The seaman may of course also be declared fit to work at any time such declaration is justified by his medical condition.[40] (Underscoring in the original)

Indeed, the Amended Rules on Employees' Compensation (AREC), as adopted by the by the Employees Compensation Commission, provides for an exception to the general rule provided by Article 192. Rule X, Section 2(a) of the AREC expressly provides thus:

> Section 2. *Period of entitlement.* - (a) The income benefit shall be paid beginning on the first day of such disability. If caused by an injury or sickness it shall not be paid longer than 120 consecutive days <u>except where such injury or sickness still requires medical attendance beyond 120 days but not to exceed 240 days from onset of disability</u> in which case benefit for temporary total disability shall be paid. However, the System may declare the total and permanent status at any time after 120 days of continuous temporary total disability as may be warranted by the degree of actual loss or impairment of physical or mental functions as determined by the System. (Underscoring supplied)

The above provision must be read with Section 1(b), Rule XI of the same AREC, which provides:

> (b) The following total disabilities shall be considered permanent:
>
> <u>(1) Temporary total disability lasting continuously for more than 120 days, except as otherwise provided for in Rule X hereof.</u>
>
> (2) Complete loss of sight of both eyes;
>
> (3) Loss of two limbs at or above the ankle or wrist;
>
> (4) Permanent complete paralysis of two limbs.
>
> (5) Brain injury resulting in incurable imbecility and insanity, and
>
> (6) Such cases as determined by the System and approved by the Commission. (Underscoring supplied)

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[40] Id. at 911-912.

The AREC thus carved out an exception for situations wherein such injury or sickness causing temporary total disability still requires medical attendance beyond 120 days but not to exceed 240 days from the onset of disability. In such situations, the benefits for temporary total disability shall be paid. As an exception to this exception, the rule provides that the System (GSIS or SSS, whichever is applicable) may declare the total and permanent status at any time after 120 days of continuous temporary total disability as may be warranted by the degree of actual loss or impairment of physical or mental functions. This was also explained in *Vergara* where it was held that:

> As these provisions operate, the seafarer, upon sign-off from his vessel, must report to the company-designated physician within three (3) days from arrival for diagnosis and treatment. For the duration of the treatment but in no case to exceed 120 days, the seaman is on temporary total disability as he is totally unable to work. He receives his basic wage during this period until he is declared fit to work or his temporary disability is acknowledged by the company to be permanent, either partially or totally, as his condition is defined under the POEA Standard Employment Contract and by applicable Philippine laws. If the 120 days initial period is exceeded and no such declaration is made because the seafarer requires further medical attention, then the temporary total disability period may be extended up to a maximum of 240 days, subject to the right of the employer to declare within this period that a permanent partial or total disability already exists. The seaman may of course also be declared fit to work at any time such declaration is justified by his medical condition.[41] (Underscoring supplied)

In *C.F. Sharp Crew Management, Inc. v. Taok,*[42] we have further distilled the principles laid down in *Vergara* and clearly set out the conditions when an action for total and permanent disability may prosper. These conditions were reiterated in *Daraug v. KGJS Fleet Management Manila, Inc.* [43] as follows:

> Actually, petitioner's filing of his claim was premature. The Court has held that a seafarer may have basis to pursue an action for total and permanent disability benefits, if any of the following conditions are present:
>
> (a) The company-designated physician failed to issue a declaration as to his fitness to engage in sea duty or disability even after the lapse of the 120-day period and there is no indication that further medical treatment would address his temporary total disability, hence, justify an extension of the period to 240 days;
>
> (b) 240 days had lapsed without any certification issued by the company designated physician;
>
> (c) The company-designated physician declared that he is fit for sea duty within the 120-day or 240-day period, as the case may be, but his physician of

[41] Id. at 912.
[42] 691 Phil. 521 (2012).
[43] 750 Phil. 949 (2015.)

choice and the doctor chosen under Section 20-B(3) of the POEA-SEC are of a contrary opinion;

(d) The company-designated physician acknowledged that he is partially permanently disabled but other doctors who he consulted, on his own and jointly with his employer, believed that his disability is not only permanent but total as well;

(e) The company-designated physician recognized that he is totally and permanently disabled but there is a dispute on the disability grading;

(f) The company-designated physician determined that his medical condition is not compensable or work-related under the POEA-SEC but his doctor-of-choice and the third doctor selected under Section 20-B(3) of the POEA-SEC found otherwise and declared him unfit to work;

(g) The company-designated physician declared him totally and permanently disabled but the employer refuses to pay him the corresponding benefits; and

(h) The company-designated physician declared him partially and permanently disabled within the 120-day or 240-day period but he remains incapacitated to perform his usual sea duties after the lapse of said periods.[44]

To be clear, when a certain sickness or injury causes a temporary and total disability which lasts continuously for more than 120 days, then such total disability is considered to be permanent. However, as an exception to this rule, if the said sickness or injury that caused the temporary total disability **requires medical treatment beyond the 120-day period but not to exceed 240 days**, then the employee is only entitled to temporary total disability benefits until he is declared as either: 1) "fit to work," which stops his entitlement to disability benefits; or 2) "permanently and totally disabled," which then entitles him to permanent total disability benefits. In any event, if the 240 days had lapsed without any certification issued by the company-designated doctor, then the employee may pursue an action for permanent total disability benefits.

With the above principles in mind, we must now determine whether the CA correctly applied the same to the present case.

The appellate court did not commit any error of law when it ruled that petitioner is not entitled to total and permanent disability benefits.

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[44] Id. at 964-965.

The CA applied in this case the principles in *Vergara* since the factual milieu involved is similar.[45] It held that petitioner was not entitled to permanent total disability benefits but only to temporary disability benefits until the time he was declared fit to work by the company physician, Dr. de Leon.[46]

Petitioner, however, claims that the appellate court's Decision is erroneous. The fact that he still had to undergo surgery even after the company doctor's fit-to-work declaration clearly shows that he was not yet fit to work during the time when the said declaration was made.[47] He then cited the case of *Crystal Shipping v. Natividad (Crystal Shipping)*[48] and other related jurisprudence to support his claim.

Petitioner's arguments clearly have no merit.

Petitioner failed to prove that the company physician issued the fit to work certification dated February 28, 2011 in bad faith.

Petitioner's mere allegation of bad faith cannot prevail over a medical certificate issued and signed by a duly licensed physician. Such medical certificates, even if unnotarized, bear all the earmarks of regularity in their issuance and are entitled to full probative weight.[49]

He who alleges must prove.[50] Petitioner's imputations of bad faith must be duly proven.[51] In this case, he utterly failed to discharge this burden of proof when he merely alleged possible ulterior motives behind the company physician's certification, without presenting proof to support such allegations. Simply put, petitioner's allegations discrediting the medical certificate issued by Dr. de Leon on February 28, 2011 cannot be given any weight as there is nothing on record to support the same.

A recommendation to undergo surgery does not necessarily prove that petitioner was not fit to work. Rather, such recommendation merely proves that further medical treatment is needed.

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45 *Rollo*, at pp. 37-39.
46 Id. at 43-44.
47 Id.
48 510 Phil. 332 (2005).
49 *Union Motor Coporation v. National Labor Relations Commission*, 487 Phil. 197, 208-209 (2004).
50 *Lim v. Equitable PCI Bank*, 724 Phil. 453, 461 (2014).
51 *Cathay Pacific Airways, Ltd. v. Spouses Vazquez*, 447 Phil. 306, 321-322 (2003).

We cannot subscribe to petitioner's argument that the fit-to-work declaration was "absurd" since he still had to undergo surgery even after such declaration was made; the recommendation for surgery does not necessarily mean that petitioner is still not fit to work.

A person with a disease may be asymptomatic; he/she may not be showing symptoms of the disease. While still stricken by the disease, he/she may not even be aware of it, or even if he/she is aware of such disease, he/she may continue to function without impairment.

In this case, it is entirely possible that petitioner, while still afflicted with a disease, was not manifesting any symptoms, or that such symptoms were already managed in such a way that they did not manifest anymore. Thus, when he was examined by Dr. de Leon, it is possible that the latter might have determined that the disease that petitioner was diagnosed with had no notable effect on his fitness to work. Indeed, the mere presence of a disease is not necessarily a disability.

The Crystal Shipping case and its related line of cases do not apply to the factual circumstances of the present case.

Finally, *Crystal Shipping* is not on all fours with the present case. In *Crystal Shipping*, the employee-respondent therein was never declared to be fit to work by any of the doctors involved in said case, and the primary issue was merely the grading or degree of disability employee-respondent therein suffered.[52] On the other hand, the instant petition presents to us a situation wherein petitioner was expressly declared to be asymptomatic and fit to work.[53]

We have already explained in *Vergara* that several considerations must be taken into account when citing the same *Crystal Shipping* case, to wit:

> As a last point, the petitioner has repeatedly invoked our ruling in *Crystal Shipping, Inc. v. Natividad,* apparently for its statement that the respondent in the case "was unable to perform his customary work for more than 120 days which constitutes permanent total disability." This declaration of a permanent total disability after the initial 120 days of temporary total disability cannot, however, be simply lifted and applied as a general rule for all cases in all contexts. The specific context of the application should be considered, as we must do in the application of all rulings and even of the law and of the implementing regulations.

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[52] *Crystal Shipping, Inc. v. Natividad,* supra, note 48.
[53] *Rollo*, p. 33.

> Crystal Shipping was a case where the seafarer was completely unable to work for three years and was undisputably unfit for sea duty "due to respondent's need for regular medical check-up and treatment which would not be available if he were at sea." While the case was not clear on how the initial 120-day and subsequent temporary total disability period operated, what appears clear is that the disability went beyond 240 days without any declaration that the seafarer was fit to resume work. Under the circumstances, a ruling of permanent and total disability was called for, fully in accordance with the operation of the period for entitlement that we described above. Viewed from this perspective, the petitioner cannot cite the Crystal Shipping ruling as basis for his claim for permanent total disability.
>
> Additionally and to reiterate what we pointed out above regarding the governing rules that affect the disability of Filipino seafarers in ocean-going vessels, the POEA Standard Employment Contract provides its own Schedule of Disability or Impediment for Injuries Suffered and Diseases Including Occupational Diseases or Illness Contracted (Section 32); Disability Allowances (a subpart of Section 32); and its own guidelines on Occupational Diseases (Section 32-A) which cannot be disregarded in considering disability compensation and benefits. All these - read in relation with applicable Philippine laws and rules - should also be taken into account in considering and citing Crystal Shipping and its related line of cases as authorities.[54] (Underscoring supplied).

As applied in the instant case, the records show that there was no declaration as to petitioner's fitness to work or as to the permanent and total status of his disability within the 120-day period. However, since petitioner's sickness required medical treatment beyond the 120-day period, the temporary total disability period was extended up to a maximum of 240 days, subject to the right of his employer to declare within this period that a permanent partial or total disability already exists. In this connection, petitioner never presented any declaration to the effect that his disability is total and permanent.

On the contrary, the evidence on record would reveal that petitioner was declared as asymptomatic and fit to work on February 28, 2011 or one hundred thirty-four (134) days after the onset of the disability, well within the 240-day period. Therefore, petitioner cannot claim permanent total disability benefits and is only entitled to temporary total disability benefits until the time when he was declared to be fit to work.

WHEREFORE, the petition is **DENIED**. The May 31, 2013 Decision and August 15, 2014 Resolution of the Court of Appeals in CA-G.R. SP No. 07134 are **AFFIRMED**. No costs.

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[54] *Vergara v. Hammonia Maritime Services, Inc.*, supra, note 39 at 915-916.

SO ORDERED.

RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:

MARVIC M. V. F. LEONEN
Associate Justice
Chairperson

HENRI JEAN PAUL B. INTING
Associate Justice

MARIO V. LOPEZ
Associate Justice

RICARDO R. ROSARIO
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.

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