



Republic of the Philippines
Supreme Court
 Manila

SECOND DIVISION

**PAL MARITIME CORPORATION,
 NORWEST MANAGEMENT CO.
 (PTE) LTD. SINGAPORE/
 SONRISA N. DAVID,**

G.R. No. 218115

Petitioners,

– versus –

DARWIN D. DALISAY,

Respondent.

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DARWIN D. DALISAY,

Petitioner,

G.R. No. 218170

– versus –

Present:

**PAL MARITIME CORPORATION,
 NORWEST MANAGEMENT CO.
 (PTE) LTD., AND/ OR SONRISA N.
 DAVID,**

Respondents.

PERLAS-BERNABE, S.A.J.,
Chairperson,
GESMUNDO,
LAZARO-JAVIER,
M. LOPEZ, and
J. LOPEZ, JJ.

Promulgated:

JAN 27 2021

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D E C I S I O N

M. LOPEZ, J.:

The entitlement of a seafarer to sickness allowance and attorney’s fees despite deliberate concealment of his pre-existing illness is the main issue in

this Petition for Review on *Certiorari*¹ in G.R. No. 218115 under Rule 45 of the Rules of Court assailing the Court of Appeals' (CA) Decision² dated September 11, 2014 in CA-G.R. SP No. 134114, which affirmed with modification the findings of the National Labor Relations Commission (NLRC).

ANTECEDENTS

In 2012, Darwin Dalisay (Darwin) applied for shipboard employment with PAL Maritime Corporation (PAL Maritime), which directed him to undergo a pre-employment medical examination (PEME) in its accredited clinic. During his examination, Darwin declared that he had no history of any ailment other than a "*Varicocoelectomy*" operation in 2003. Thus, Darwin was declared fit to work and hired as an able seaman on behalf of PAL Maritime's foreign principal Norwest Management Corporation (PTE) LTD. Singapore (Norwest Management). On November 28, 2012, Darwin was deployed aboard the vessel M/V Ornella.³

Meantime, Darwin requested for medical attention after experiencing sharp and intense pain on his lower back while lifting heavy provisions. Darwin was then referred to a hospital in Vietnam for magnetic resonance imaging, and was detected to be suffering from "*degeneration of spur lumbar verbae/increase of liver enzymes.*" On December 10, 2012, Darwin was repatriated to the Philippines, and PAL Maritime's company-designated physician diagnosed him with "*low back pain secondary to Disc Protusion L4-L5 and L5-S1.*" Darwin underwent physical therapy from December 13, 2012 to February 28, 2013.⁴

On March 8, 2013, PAL Maritime discovered that Darwin previously filed a claim for permanent and total disability benefits for his low back pain against his former employer Phil Transmarine Carriers, Inc. (Phil Transmarine)⁵ and was awarded in 2008 the amount of US \$60,000.00 or ₱3,127,278.00.⁶ As such, PAL Maritime discontinued Darwin's medical treatment because of malicious concealment of a pre-existing illness. This prompted Darwin to seek medical attention from other physicians, namely, Dr. Gloria Coronel and Dr. Manuel Fidel Magtira (Dr. Magtira), who both declared him unfit to work. Incidentally, Dr. Magtira was the same physician who diagnosed Darwin as permanently unfit to work in the case filed against Phil Transmarine.

¹ *Rollo* (G.R. No. 218115), pp. 34-46.

² *Id.* at 16-25; penned by Associate Justice Hakim S. Abdulwahid, with the concurrence of Associate Justices Romeo F. Barza and Ramon A. Cruz

³ *Id.* at 17.

⁴ *Id.* at 17-18.

⁵ *Id.* at 18.

⁶ *Rollo* (G.R. No. 218170), pp. 136-144; and 145-152.



Aggrieved, Darwin filed a complaint against PAL Maritime and Norwest Management for permanent and total disability benefits, sickness allowance, damages and attorney's fees before the Labor Arbiter (LA) arguing that his illness is work-related and work-aggravated. On the other hand, PAL Maritime countered that Darwin's fraudulent concealment of a previous ailment disqualified him from claiming any benefits. In reply, Darwin denied any willful concealment, and argued that he is not expected to know the classification of his illness during the PEME.⁷

On August 28, 2013,⁸ the LA dismissed the complaint for lack of merit, and explained that Darwin's fraudulent misrepresentation disqualified him from claiming any benefits pursuant to Section 20(E) of the 2010 Philippine Overseas Employment Administration Standard Employment Contract (POEA-SEC). The LA noted that Darwin concealed his past ailment on three occasions, to wit: (1) October 16, 2010 PEME wherein he did not disclose "*Back Injury: Joint Pain/Arthritis/Rheumatism*," but merely marked the column "*Operations*" under past medical history and admitted having undergone "*Varicocoelectomy (bilateral)*," which is unrelated to his low back pain;⁹ (2) November 19, 2012 PEME wherein he again failed to disclose his previous ailment and answered "*No*" to the question of "*Rheumatism, joint or back trouble*" under medical history;¹⁰ and (3) post-employment medical examination wherein he denied his past history of lower back pain. Lastly, the LA observed that the medical report issued by Dr. Magtira was an exact reproduction of the report used in Darwin's complaint against Phil Transmarine.

Undaunted, Darwin appealed to the NLRC insisting that he did not commit material concealment, and claimed that his past ailment was already healed because he was able to work for six different vessels even after he was declared permanently *unfit to work*.¹¹ On November 11, 2013,¹² the NLRC reversed the LA's findings, and held that Darwin's failure to disclose his previous ailment was due to his "*honest belief*" that he was already healed. At any rate, his current ailment was work-related. Accordingly, the NLRC ordered PAL Maritime to pay Darwin \$60,000.00 as permanent disability benefits; \$2,180.00 as sickness allowance; and 10% of the total award as attorney's fees, to wit:

WHEREFORE, the appeal is impressed with merit.

The Decision a quo is REVERSED and SET ASIDE and a new one rendered as follows:

⁷ *Rollo* (G.R. No. 218115), pp. 18-19.

⁸ *Rollo* (G.R. No. 218170), pp. 182-189.

⁹ *Id.* at 186.

¹⁰ *Id.* at 131.

¹¹ *Id.* at 197-200.

¹² *Id.* at 238-251.

a) Complainant is declared to be entitled to a total and permanent disability equivalent to Grade 1 or the sum of US\$60,000.00 payable by all respondents in solidum in peso equivalent at the time of payment;

b) **He is also entitled to his sickness allowance equivalent to US\$2,180.00 (4months);**

c) 10% of the awards as attorney's fees.

SO ORDERED. (Emphasis supplied.)

Dissatisfied, PAL Maritime filed a Petition for *Certiorari*¹³ to the CA docketed as CA-G.R. SP No. 134114 reiterating that Darwin is guilty of fraudulent concealment. On September 11, 2014,¹⁴ the CA partly granted the petition, and held that Darwin knowingly concealed a pre-existing illness and was disqualified from claiming permanent disability benefits. Yet, the CA retained the award of sickness allowance and attorney's fees because Darwin passed the PEME and his work aboard M/V Ornella for less than two weeks contributed "*even in a small degree*" to his illness, viz.:

In ruling for private respondent, public respondent NLRC declared that his present illness of Disc Protrusion and Disc Bulges of T11, L4-L5, L5-S1 is different from his healed ailment of spinal disc herniation. Private respondent's failure to disclose his previous illness was under an honest belief that he was already healed from it, considering that it has never occurred during the five-year period that he was rendering service as an Able Seaman. **However, the evidence on record belie such finding. Foremost, private respondent does not deny that he ticked "NO" on the medical history of "Rheumatism, joint or back trouble" in his PEME form. He does not likewise deny the existence and genuineness of the decision of Labor Arbiter Guerrero and the Release and Quitclaim in favor [of] his former employer he executed in exchange of US\$60,000.00 for his disability benefits. Thus, even if private respondent had an honest belief that he was completely healed from previous illness, the good faith defense is negated by his non-disclosure of his past medical condition, disability and history in his PEME. The misrepresentation was further bolstered by the denial of private respondent before the company-designated physician who examined him during his post-employment examination of any history of the same signs and symptoms.**

Section 20-E of the POEA-SEC provides that "*a seafarer who knowingly conceals and does not disclose past medical condition, disability and history in the pre-employment medical examination constitutes fraudulent misrepresentation and shall disqualify him from any compensation and benefits.*" **Following the foregoing rule, the seafarer's concealment of a pre-existing medical condition disqualifies him from claiming disability benefits.**

¹³ *Id.* at 278-300.

¹⁴ *Id.* at 21-30.

As can be gleaned from the Decision of Labor Arbiter Guerrero, in 2007 while on board CSCL Hamburg vessel, private respondent experienced the same sharp and intense pain at the lower back and was in fact diagnosed with minimal degenerative changes in the L4-L5 vertebral bodies. Notably, Dr. Magtira, the physician who examined private respondent in 2007 is the same physician who examined him in the present case. In both cases, Dr. Magtira found that private respondent suffered from back pain and advised him that if a long term and more permanent result are desired, he should refrain from activities producing torsional stress on the back and those that require repetitive bending and lifting of things he is expected to do as a seaman. He was declared permanently unfit to resume duties as a seaman.

Ergo, it is beyond contradiction that private respondent's illness of Disc Protrusion of T11/L4-L5/S1 is nothing more than a pre-existing condition, he has knowingly concealed from petitioner. Contrary to his contention, the PEME is not sufficiently exhaustive so as to excuse his non-disclosure of his pre-existing low back pain. The PEME is not exploratory and does not allow the employer to discover any and all pre-existing medical condition with which the seafarer was suffering and for which he may be presently taking medication. The PEME is nothing more than a summary examination of the seafarer's physiological condition and is just enough for the employer to determine his fitness for the nature of the work for which he is to be employed.

However, we sustain the award for sickness allowance and attorney's fees. Despite his misrepresentation and concealment, private respondent underwent and passed the required PEME, was declared fit to work, and was suffered to work by petitioner. Upon repatriation, he complied with the required post-employment medical examination. Petitioner does not deny that private respondent's work load on board M/V Ornella included the carrying of heavy provisions. Thus, even if he was only employed for two weeks, such work has contributed, even in a small degree, to his illness and must be compensated.

WHEREFORE, the petition is PARTLY GRANTED. Accordingly, the assailed Decision dated November 11, 2013 and Resolution dated December 18, 2013 of the NLRC are AFFIRMED with MODIFICATION by retaining the award of sickness allowance and attorney's fees. The award of permanent total disability compensation is ANNULLED and SET ASIDE.

SO ORDERED.¹⁵ (Emphases supplied.)

Both parties sought partial reconsideration but was denied.¹⁶ Hence, PAL Maritime and Darwin separately filed their Petitions for Review on *Certiorari* under Rule 45 of the Rules of Court docketed as G.R. Nos. 218115¹⁷ and 218170,¹⁸ respectively. PAL Maritime prayed to delete the

¹⁵ *Id.* at 27-29.

¹⁶ *Id.* at 32-34.

¹⁷ *Supra* note 1.

¹⁸ *Rollo* (G.R. No. 218170), pp. 44-64.

award of sickness allowance and attorney's fees while Darwin assailed the denial of his claim for disability benefits on ground of deliberate concealment. On September 21, 2015,¹⁹ this Court denied Darwin's petition for failure to show how the CA committed any reversible error. On January 25, 2016, Darwin's motion for reconsideration was denied with finality.²⁰ Corollarily, the only matter submitted for our decision is PAL Maritime's petition assailing the CA's award of sickness allowance and attorney's fees. PAL Maritime contends that the language of Section 20(E) of the 2010 POEA-SEC disqualifies a seafarer from claiming "any" compensation and benefits due to concealment of a pre-existing illness. Moreover, the award of attorney's fees is improper absent bad faith.

RULING

A seafarer who is guilty of fraudulent concealment in the PEME is disqualified from claiming "any" compensation and benefits which include sickness allowance.

The POEA-SEC is deemed integrated with every agreement between a seafarer and his employer.²¹ Here, Darwin's employment contract with PAL Maritime was executed in 2012, and is covered by the 2010 Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-Board Ocean-Going Ships.²² Under Section 20(A) of the 2010 POEA-SEC, a seafarer is entitled to several "*compensation and benefits*" for any work-related illness or injury that he may have suffered during the term of the contract such as expenses for medical treatment, sickness allowance and disability benefits, to wit:

SEC. 20. COMPENSATION AND BENEFITS

A. COMPENSATION AND BENEFITS FOR INJURY OR ILLNESS

The liabilities of the employer when the seafarer suffers work-related injury or illness during the term of his contract are as follows:

1. The employer shall continue to pay the seafarer his wages during the time he is on board the ship;
2. 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, serious dental, surgical and hospital treatment as well as

¹⁹ *Id.* at 311-312.

²⁰ *Id.* at 327-328.

²¹ *C.F. Sharp Crew Management, Inc. v. Legal Heirs of the Late Godofredo Repiso*, 780 Phil. 645, 665-666 (2016).

²² See POEA MEMORANDUM CIRCULAR NO. 10, SERIES OF 2010, dated October 26, 2010.

board and lodging until the seafarer is declared fit to work or to be repatriated. **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 he is declared fit or the degree of his disability has been established by the company-designated physician.**

3. **In addition to the above obligation of the employer to provide medical attention, the seafarer shall also receive sickness allowance from his employer in an amount equivalent to his basic wage computed from the time he signed off until he is declared fit to work or the degree of disability has been assessed by the company-designated physician. The period within which the seafarer shall be entitled to his sickness allowance shall not exceed 120 days.** Payment of the sickness allowance shall be made on a regular basis, but not less than once a month.

The seafarer shall be entitled to reimbursement of the cost of medicines prescribed by the company-designated physician. In case treatment of the seafarer is on an out-patient basis as determined by the company-designated physician, the company shall approve the appropriate mode of transportation and accommodation. The reasonable cost of actual traveling expenses and/or accommodation shall be paid subject to liquidation and submission of official receipts and/or proof of expenses.

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5. In case a seafarer is disembarked from the ship for medical reasons, the employer shall bear the full cost of repatriation in the event the seafarer is declared (1) fit for repatriation; or (2) fit to work but the employer is unable to find employment for the seafarer on board his former ship or another ship of the employer.
6. **In case of permanent total or partial disability of the seafarer caused by either injury or illness the seafarer shall be compensated in accordance with the schedule of benefits enumerated in Section 32 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.**

The disability shall be based solely on the disability gradings provided under Section 32 of this Contract, and shall not be measured or determined by the number of days a seafarer is under treatment or the number of days in which sickness allowance is paid.

7. It is understood and agreed that the benefits mentioned above shall be separate and distinct from, and will be in addition to whatever benefits which the seafarer is entitled to under Philippine laws such as from the Social Security System, Overseas Workers Welfare Administration, Employees'

Compensation Commission, Philippine Health Insurance Corporation and Home Development Mutual Fund (Pag-IBIG Fund). (Emphases supplied.)

However, Section 20(E) of the 2010 POEA-SEC is likewise explicit that a seafarer who “*knowingly conceals a pre-existing illness or condition*” shall be disqualified from claiming “*any compensation and benefits.*” The rule seeks to penalize seafarers who conceal material information in order to pass the PEME and even makes such misrepresentation a just cause for termination of employment, thus:

SEC. 20. COMPENSATION AND BENEFITS

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- E. A seafarer who **knowingly conceals a pre-existing illness or condition** in the Pre-Employment Medical Examination (PEME) shall be liable for misrepresentation and **shall be disqualified from any compensation and benefits**. This is likewise a just cause for termination of employment and imposition of appropriate administrative sanctions. (Emphasis supplied.)

An illness shall be considered as pre-existing if prior to the processing of the POEA contract, any of the following conditions are present: (a) [t]he advice of a medical doctor on treatment was given for such continuing illness or condition; or (b) the seafarer had been diagnosed and has knowledge of such an illness or condition but failed to disclose [it] during [PEME], and such cannot be diagnosed during [such examination].²³ On the other hand, the phrase “*knowingly conceals*” is not defined in the 2010 POEA-SEC. Yet, this Court had rendered several decisions interpreting the phrase. The following cases are instructive.

In *Manansala v. Marlow Navigation Phils., Inc.*,²⁴ we ruled that knowing concealment involves bad faith. The falsity or non-disclosure of the truth must be for a malicious purpose or coupled with intent to deceive and to profit from deception. In that case, petitioner categorically answered “No” when asked during the PEME whether he suffered from hypertension or diabetes. However, it was discovered that petitioner has been previously diagnosed with such illnesses. The petitioner knew that his conditions were of such severity that he needed to take maintenance medicine, but he consistently refused to acknowledge history of his conditions. Moreover, petitioner failed to prove his defense that the examining physician did not clearly record his answers in the PEME. Similarly, in *Lerona v. Sea Power Shipping Enterprises, Inc.*,²⁵ the petitioner answered “No” when asked if he

²³ 2010 POEA-SEC, Definition of Terms, Item No. 11 (a) and (b).

²⁴ 817 Phil. 84 (2017).

²⁵ G.R. No. 210955, August 14, 2019.

had hypertension although he had been taking “*Norvac*,” a medicine to treat such illness, for two years.

In *Career Philippines Shipmanagement, Inc. v. Godinez*,²⁶ we held that knowing concealment must be intentional. In that case, the respondent admitted in an unsigned handwritten document that he suffered from insomnia and paranoia when he was 15 years old. Yet, there is no proof that the failure to disclose such information was intentional. At a young age, the respondent could have viewed the illnesses as “*unimportant or irrelevant*.” Moreover, the only evidence of his past conditions was the unsigned handwritten document. In *Leoncio v. MST Maritime Services (Phils.), Inc.*,²⁷ the phrase “*illness or condition*” was strictly construed as not including medical procedures. In that case, the respondent repeatedly re-hired petitioner for a total of 18 years, even after he was diagnosed with Coronary Artery Disease and Hypertension in 2001. Thereafter, the petitioner was repatriated in 2014 and declared unfit to work due to an “*unstable angina*.” The respondent discovered that petitioner underwent a “*stenting procedure*” in 2008 and refused to pay disability benefits due to concealment of a pre-existing illness. We ruled that there is no concealment because the stenting procedure is not an illness but a medical procedure. Also, in *Philsynergy Maritime, Inc. and/or Trimurti Shipmanagement Ltd. v. Gallano, Jr.*,²⁸ the respondent was not guilty of knowing concealment although “*Isordil*” was found in his belongings on board, which is a medication used for treating chest pains, because there was no proof that he was previously diagnosed with hypertension.

In *Deocariza v. Fleet Management Services Phils., Inc.*,²⁹ the Court held that the employer failed to overcome the burden of proving concealment of a pre-existing illness on the part of the seafarer. In that case, the petitioner was declared by a foreign doctor to have “*mechanical heart valves*,” which he did not declare during the PEME. Yet, the company-designated physician did not confirm this diagnosis. A 2D echogram was even done during the petitioner’s PEME which yields “*excellent images of the heart*.” Lastly, in *Ranoa v. Anglo-Eastern Crew Management Phils., Inc.*,³⁰ we ruled that the employer failed to prove that the seafarer had “*intent to deceive*.” The respondent did not substantiate a previous diagnosis on petitioner’s supposed admission of hypertension and coronary artery disease.

Here, it bears emphasis that this Court in G.R. No. 218170 affirmed with finality the CA’s findings that Darwin knowingly concealed his pre-existing illness affecting his spine and that he is disqualified from claiming disability benefits. These facts and conclusions are immutable and

²⁶ 819 Phil. 86 (2017).

²⁷ 822 Phil. 494 (2017).

²⁸ 832 Phil. 922 (2018).

²⁹ 836 Phil. 1087 (2018).

³⁰ G.R. No. 225756, November 28, 2019.

should not be disturbed.³¹ As intimated earlier, the remaining issue submitted for decision is the propriety of the award of sickness allowance and attorney's fees. Notably, the CA granted sickness allowance to Darwin “[d]espite his misrepresentation and concealment” because he “underwent and passed the required PEME, was declared fit to work, and was suffered to work by petitioner [PAL Maritime].”³² The CA's reasoning, however, contradicts the very language and jurisprudence on the application of Section 20(E) of the POEA-SEC.

Foremost, the phrase “disqualified from any compensation and benefits” in Section 20(E) of the POEA-SEC is without qualifications and must be interpreted to include all kinds of benefits including sickness allowance. A cardinal rule of statutory construction is that if a statute is clear and free from ambiguity, it must be given its literal meaning and applied without any interpretation. The maxim is *verba legis non est recedendum* or from the words of a statute there should be no departure.³³ The liberal construction in favor of labor is inapplicable since there is nothing to interpret. To be sure, in *Vetyard Terminals & Shipping Services, Inc. v. Suarez*³⁴ (*Vetyard Terminals*) and *Status Maritime Corp. v. Spouses Delalamon*³⁵ (*Status Maritime*), this Court reversed the CA's Decisions granting disability compensation and sickness allowance after determining that the seafarers were guilty of fraudulent concealment of pre-existing illnesses.

In *Vetyard Terminals*, the respondent filed against the petitioners a complaint for disability benefits, sickness allowance, and reimbursement of medical expenses, alleging that he was painting the vessel's ceiling when paint accidentally hit his eye for which he suffered pain. The respondent claimed that he experienced blurred vision after the incident. The petitioners countered that the respondent was not entitled to disability benefits since his illness was not work-related and he deliberately concealed a prior cataract operation. The LA and the NLRC dismissed the complaint. On appeal, the CA awarded the respondent with permanent and total disability compensation and illness allowance corresponding to four-month salary. Upon review, this Court reinstated the labor tribunals' Decision dismissing the complaint given that the respondent concealed his true medical condition, thus:

Here, Suarez did not present substantial proof that his eye ailment was work-related. Other than his bare claim that paint droppings accidentally splashed on an eye causing blurred vision, he adduced no note or recording of the supposed accident. Nor did he present any record of some medical check-up, consultation, or treatment that he had undergone. Besides, while paint droppings can cause eye irritation, such fact alone does

³¹ *Ang v. Dr. Grageda*, 523 Phil. 830, 847 (2006); *Natalia Realty, Inc. v. Judge Rivera*, 509 Phil. 178, 186 (2005); See *Paramount Insurance Corp. v. Judge Japzon*, 286 Phil. 1048, 1056 (1992).

³² *Rollo* (G.R. No. 218115), p. 24.

³³ *Bolos v. Bolos*, 648 Phil. 630, 637 (2010).

³⁴ 728 Phil. 527 (2014).

³⁵ 740 Phil. 175 (2014).

not *ipso facto* establish compensable disability. Awards of compensation cannot rest on speculations or presumptions; Suarez must prove that the paint droppings caused his blindness.

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Besides, even if the Court were to assume that Suarez's eye ailment was work-related, he still cannot claim disability benefits since he concealed his true medical condition. The records show that when Suarez underwent pre-employment medical examination (PEME), he represented that he was merely wearing corrective lens. He concealed the fact that he had a cataract operation in 2005. He told the truth only when he was being examined at the Medical City on May 18, 2007. This willful concealment of a vital information in his PEME disqualifies him from claiming disability benefits pursuant to Section 20(E) of the which provides that "a seafarer who knowingly conceals and does not disclose past medical condition, disability and history in the pre-employment medical examination constitutes fraudulent misrepresentation and shall disqualify him from any compensation and benefits."³⁶ (Emphases supplied.)

In *Status Maritime*, the respondent filed against the petitioners an action for disability benefits, sickness allowance, damages, and attorney's fees. Allegedly, the respondent acquired his illness of "*Renal Insufficiency; Diabetes Mellitus; IHD Blood + CBC + ANEMIA*" during the term of his employment. On the other hand, the petitioners argued that the illness is not compensable because it was not work-related. The petitioners further averred that during initial evaluation by their physicians, the respondent claimed to have been diagnosed with diabetes six years ago and has, since then, been taking 500 mg of Metformin as maintenance medication. Yet, the respondent concealed his illness during the PEME. The LA and the NLRC dismissed the complaint. However, the CA found that the respondent's employment contributed to the development and exacerbation of his illness. Thus, the CA granted disability compensation and sickness allowance. Upon review, this Court ruled that the respondent is disqualified from receiving any compensation or benefits for his illness because he did not disclose during his PEME that he was suffering from diabetes, thus:

Thus, for knowingly concealing his diabetes during the PEME, Margarito committed fraudulent misrepresentation which under the POEA-SEC unconditionally barred his right to receive any disability compensation or illness benefit.

This finding renders any issue on work-relatedness irrelevant since the premise which bars disability compensation is the fraudulent misrepresentation of a pre-existing disease and not the fact that it was pre-existing.³⁷

³⁶ *Supra* note 34, at 532-534.

³⁷ *Supra* note 35, at 195.

Lastly, a PEME is not exploratory but merely determines whether one is “*fit for sea service*.” The PEME does not state the real state of health of an applicant. Relatively, the “*fit to work*” declaration in the Darwin’s PEME cannot be a conclusive proof to show that he was free from any ailment prior to his deployment.³⁸ The fact that Darwin passed the PEME cannot excuse his willful concealment nor can it preclude PAL Maritime from rejecting his claims. Taken together, Darwin is disqualified from all benefits including sickness allowance.

Darwin is not entitled to attorney’s fees.

Attorney’s fees may only be awarded upon proof of bad faith. In labor cases, however, the established rule is that the withholding of wages or benefits need not be coupled with bad faith. Instead, it is enough that wages or benefits were not paid without justification.³⁹ Here, PAL Maritime is justified in denying the claim for sickness allowance and discontinuing medical treatment when it discovered that Darwin concealed his pre-existing illness. To award attorney’s fees despite the seafarer’s malicious concealment would be tantamount to rewarding his fraudulent conduct. It is unfair to permit Darwin to profit from his own wrongdoing and penalize PAL Maritime for resisting a baseless claim. It will also amount to unjust enrichment because Darwin has been previously paid disability benefits.⁴⁰

We reiterate that the constitutional policy to provide full protection to labor is not meant to be a sword to oppress employers. Justice is for the deserving and must be dispensed within the light of established facts, the applicable law, and existing jurisprudence.⁴¹ The Court’s commitment to the cause of labor is not a lopsided undertaking. It cannot and does not prevent us from sustaining the employer when it is in the right.

FOR THESE REASONS, the petition in G.R. No. 218115 is **GRANTED**. The Court of Appeals’ Decision dated September 11, 2014 in CA-G.R. SP No. 134114 is **REVERSED** and **SET ASIDE** with respect to the awards of sickness allowance and attorney’s fees. The Labor Arbiter’s Decision dated August 28, 2013 dismissing the complaint is **REINSTATED**.

³⁸ See *Quizora v. Denholm Crew Management (Phils.) Inc.*, 676 Phil. 313, 329 (2011), citing *Magsaysay Maritime Corp. v. National Labor Relations Commission (Second Division)*, 630 Phil. 352, 367 (2010); *Status Maritime Corp. v. Spouses DelaLamon*, *supra* note 35, at 194-195; See also *The Estate of Posedio Ortega v. CA*, 576 Phil. 601, 610 (2008); and *NYK-Fil Ship Management, Inc. v. National Labor Relations Commission*, 534 Phil. 725, 735-736 (2006).

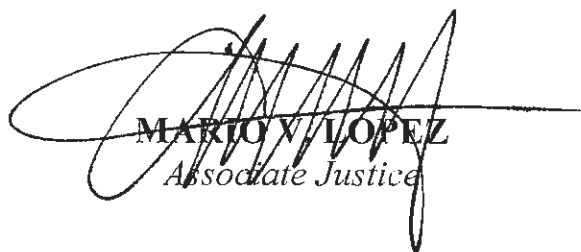
³⁹ *Alva v. High Capacity Security Force, Inc.*, 820 Phil. 677, 689 (2017).

⁴⁰ There is unjust enrichment when a person unjustly retains a benefit to the loss of another, or when a person retains money or property of another against the fundamental principles of justice, equity and good conscience. *Locsin II v. Meken Food Corp.*, 722 Phil. 886, 901 (2013).

⁴¹ *Panganiban v. Tara Trade Shipmanagement, Inc.*, 647 Phil. 675, 678 (2010).




SO ORDERED.



MARIO V. LOPEZ
Associate Justice


WE CONCUR:



ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson



ALEXANDER G. GESMUNDO
Associate Justice




AMY C. LAZARO-JAVIER
Associate Justice



JHOSEP V. LOPEZ
Associate Justice

ATTESTATION

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



ESTELA M. PERLAS-BERNABE
Senior 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 cases were assigned to the writer of the opinion of the Court's Division.



DIOSDADO M. PERALTA

Chief Justice