



Republic of the Philippines
 Supreme Court
 Manila

SECOND DIVISION

RODELIO R. ONIA,

Petitioner,

- versus -

**LEONIS NAVIGATION
 COMPANY, INC., WORLD
 MARITIME CO. LTD.,* CAPT.
 HERNANI P. FEUSCA, FELIX
 ANDRADA, RICARDO
 NOLLEDO, RYO MATSUNAGA,
 TAKASHI UTO, VALERIANO R.
 DEL ROSARIO, MARY JEAN
 MADRENERO, and JENNIFER
 E. CERRADA,**

Respondents.

G.R. No. 256878

Present:

PERLAS-BERNABE, S.A.J.,
 Chairperson,
HERNANDO,
INTING,
GAERLAN, and
DIMAAMPAO, JJ.

Promulgated:

FEB 14 2022

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DECISION

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*¹ are the Decision² dated September 30, 2020 and the Resolution³ dated June 11, 2021 of the Court of Appeals (CA) in CA-G.R. SP No. 154448, which affirmed the Decision⁴ dated September 29, 2017 of the National Labor Relations Commission (NLRC) in NLRC NCR Case No. (M) 02-01694-17, dismissing the claim of petitioner Rodelio R. Onia (petitioner) for total and permanent disability benefits and damages.

* Also referred to as "World Marine Co., Ltd." in some parts of the *rollo*.

¹ *Rollo*, pp. 3-34.

² *Id.* at pp. 37-49. Penned by Associate Justice Maria Elisa Sempio Diy with Associate Justices Ramon M. Bato, Jr. and Carlito B. Calpatura, concurring.

³ *Id.* at 51-53.

⁴ *Id.* at 227-235. Penned by Commissioner Pablo C. Espiritu, Jr. with Presiding Commissioner Alex A. Lopez and Commissioner Cecilio Alejandro C. Villanueva, concurring.

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The Facts

Respondent World Maritime Co. Ltd. (World Maritime) is the foreign principal of respondent Leonis Navigation Company, Inc. (LNCI), a domestic corporation engaged in the business of recruiting and deploying Filipino seafarers for ocean-going vessels. The other respondents in this case are members of LNCI's board of directors and corporate officers, namely: Captain Hernani P. Feusca, Felix Andrada, Ricardo Nolleto, Ryo Matsunaga, Takashi Uto, Valeriano R. Del Rosario, Mary Jean Madrenero, and Jennifer E. Cerrada (respondents).⁵

It was averred that World Maritime, through LNCI, engaged the services of petitioner as an oiler onboard the vessel MV Navios Koyo for a period of nine (9) months commencing on February 13, 2014.⁶ As such, the latter's duties principally entailed the maintenance and operation of ship engine parts as well as lubricant filtering and purifying equipment. On August 18, 2015, prior to his deployment, petitioner underwent a pre-employment medical examination (PEME) conducted by LNCI's company-accredited physician, Dr. Peter O. Dator (Dr. Dator), who found petitioner "fit for sea duty."⁷ However, despite the said finding, Dr. Dator nonetheless prescribed maintenance medicines to petitioner for his hypertensive cardiovascular disease and diabetes mellitus.⁸

Subsequently, petitioner boarded the MV Navios Koyo on November 2, 2015.⁹ On May 20, 2016, while the vessel was en route from China to Colombia, petitioner suddenly felt dizzy and his vision became blurred. His condition then grew worse as the right side of his body became numb and his speech became slurred. Petitioner was immediately treated on board and was found to be exhibiting symptoms of a stroke.¹⁰

On May 24, 2016, petitioner was given further medical attention as he was confined for two (2) weeks at a hospital in Brazil. On June 13, 2016, he was medically repatriated and, upon arriving in the Philippines, confined at the Manila Doctors Hospital on June 17, 2016.¹¹ After undergoing several laboratory tests, he was diagnosed with "Cerebrovascular infarct, Left Pons, Hypertensive Cardiovascular Disease and Diabetes Mellitus."¹² On June 22, 2016, petitioner was discharged but was advised to return for follow-up checkups.¹³ However, when petitioner went to Marine Medical Services —

⁵ See id. at 151.

⁶ See id. at 152.

⁷ See id. at 114-115.

⁸ See id. at 84-85.

⁹ Id. at 38.

¹⁰ Id.

¹¹ Id. at 39.

¹² Id. at 154-155.

¹³ Id. at 39.

respondents' company-accredited medical provider — for his checkup, he was informed that his medication will not be shouldered by LNCI and that any further medical expenses that he will incur by reason of his illness shall be shouldered by him. Petitioner then made requests from LNCI for medical assistance, which went unheeded. Dismayed, petitioner went to Dagupan City without undergoing further medical checkups. When petitioner consulted his personal physicians, Dr. Petrarch B. Bravo (Dr. Bravo) and Dr. Carlos L. Chua (Dr. Chua), both advised him to undergo 2D Echo and various chemical laboratory analyses. Based on the results of the tests, Drs. Bravo and Chua declared petitioner to be permanently and totally disabled. This prompted petitioner to file a complaint for payment of total disability benefits, damages, and attorney's fees before the NLRC against respondents.¹⁴

For their part, respondents maintained that petitioner is not entitled to disability benefits because: (a) he knowingly concealed and failed to disclose during his PEME that he had a heart condition and diabetes mellitus; (b) petitioner's illness was not work-related;¹⁵ and (c) the medical certificates issued by petitioner's doctors, Drs. Bravo and Chua, did not include a discussion as to the factors which triggered petitioner's illness and its relation to his work.¹⁶

The LA Ruling

In a Decision¹⁷ dated June 30, 2017, the Labor Arbiter (LA) **granted** petitioner's claim and accordingly, ordered each of the respondents to jointly and solidarily pay him: (a) total and permanent disability benefits in the amount of US\$60,000.00; (b) moral and exemplary damages in the total amount of ₱100,000.00; and (c) attorney's fees equivalent to 10% of the total judgment award. Meanwhile, other claims were denied for lack of merit.¹⁸ Finding merit in the complaint, the LA held that petitioner's illness was work-related and compensable, considering that cardiovascular disease is, as provided by case law, work-related and thus, compensable, and petitioner's work as an oiler contributed to the onset of such illness.¹⁹ On the other hand, the LA did not appreciate respondents' defense of material concealment, observing that petitioner's failure to provide an accurate medical history in his PEME was a mere unintentional oversight and that the company physician was fully aware that petitioner had pre-existing illnesses but still declared him to be "fit to work."²⁰ Moreover, the LA held that the medical report dated July 5, 2016 issued by the company physician cannot be deemed as a final disability assessment since the same was purely descriptive of petitioner's

¹⁴ Id. at 39.

¹⁵ Id. at 229.

¹⁶ Id. at 40.

¹⁷ Id. at 151-178. Penned by Labor Arbiter Jasper Z. Dela Cruz.

¹⁸ Id. at 178.

¹⁹ Id. at 168-171.

²⁰ Id. at 169.

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illnesses and also contained an undertaking for the latter to return on July 20, 2016 for further medical examination.²¹ Finally, as to the claim for moral and exemplary damages, the LA held that petitioner was able to prove that respondents acted in bad faith or in an oppressive manner when they unjustifiably refused to pay the compensation and benefits due to him on account of his work-related illness. Accordingly, the LA also awarded attorney's fees to petitioner.²²

The NLRC Ruling

In a Decision²³ dated September 29, 2017, the NLRC **reversed** the LA's ruling, and accordingly, dismissed the complaint for lack of merit.²⁴ The NLRC found that petitioner's illness was not work-related for failure to substantiate the same. In this regard, it pointed out that petitioner's doctors, Drs. Bravo and Chua, failed to explain how petitioner's illness was attributable to his work as an oiler.²⁵ Thus, it held that any further discussion on compensability was altogether unnecessary since petitioner's illness was not work-related in the first place.²⁶ The NLRC also pointed out that petitioner was barred from claiming any disability compensation or benefits, since he knowingly concealed that he was already diagnosed with hypertensive cardiovascular disease and diabetes mellitus during his PEME.²⁷

Dissatisfied, petitioner moved for reconsideration, which was denied in a Resolution²⁸ dated November 29, 2017. Hence, the matter was elevated to the CA via a petition for *certiorari* under Rule 65 of the Rules of Court.

The CA Ruling

In a Decision²⁹ dated September 30, 2020, the CA **affirmed** the ruling of the NLRC.³⁰ Echoing the NLRC's findings, the CA held that petitioner was not entitled to disability benefits since he failed to prove that his illness was work-related.³¹ For another, the CA also observed that petitioner was barred from claiming disability benefits, since he knowingly concealed during his

²¹ Id. at 174-175.

²² Id. at 175-176.

²³ Id. at 227-235. Penned by Commissioner Pablo C. Espiritu, Jr. with Presiding Commissioner Alex A. Lopez and Commissioner Cecilio Alejandro C. Villanueva, concurring.

²⁴ Id. at 234.

²⁵ Id. at 231-232.

²⁶ Id. at 232-233.

²⁷ Id. at 233-234.

²⁸ Id. at 237-238.

²⁹ Id. at 37-49. Penned by Associate Justice Maria Elisa Sempio Diy with Associate Justices Ramon M. Bato, Jr. and Carlito B. Calpatura, concurring.

³⁰ Id. at 48.

³¹ Id. at 46-48.

PEME that he had pre-existing illnesses, *i.e.*, hypertension and diabetes mellitus.³²

Undaunted, petitioner moved for reconsideration but was denied in a Resolution³³ dated June 11, 2021. Hence, this petition.

The Issue Before the Court

The issue for the Court's resolution is whether or not the CA erred in holding that petitioner was not entitled to total and permanent disability benefits, moral and exemplary damages, and attorney's fees.

The Court's Ruling

The petition is meritorious.

At the onset, the Court finds that concealment cannot be appreciated against petitioner; hence, he cannot be deemed barred from claiming disability benefits.

Under Section 20 (E) of the 2010 Philippine Overseas Employment Administration (POEA) – Standard Employment Contract (2010 POEA-SEC), “[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.” In this regard, jurisprudence expounds that an illness is considered pre-existing within the contemplation of Section 20 (E) of the 2010 POEA-SEC if, among others, the seafarer had been diagnosed and has knowledge of such illness or condition but failed to disclose the same during the PEME, and such cannot be diagnosed during the PEME.³⁴

In this case, it clearly appears that petitioner's alleged pre-existing illnesses, *i.e.*, hypertension and diabetes mellitus, are conditions which are easily discoverable during his PEME; thus, they cannot be deemed pre-existing within the contemplation of Section 20 (E) of the 2010 POEA-SEC. Indeed, records show that petitioner underwent the required PEME, and his hypertension could have been easily detected by standard/routine tests conducted during the said examination, *i.e.*, blood pressure test,

³² Id. at 46-47.

³³ Id. at 51-53.

³⁴ *Philisynergy Maritime, Inc. v. Gallano, Jr.*, 832 Phil. 922 (2018).

electrocardiogram, chest x-ray, and/or blood chemistry.³⁵ It is also undisputed that, despite being pronounced to be “FIT FOR SEA DUTY,” the company-accredited physician even prescribed maintenance medicines, *i.e.*, Metformin, Glebenclamide and Amlodipine Besilate to petitioner for his hypertensive cardiovascular disease and diabetes mellitus. This only confirms the fact that respondents were already put on notice of petitioner’s medical condition as early as his PEME.

Having established that petitioner is not disqualified from recovering disability benefits, the Court now proceeds to discuss the propriety of such claim, particularly as to the existence of the twin-requirements of work-relatedness and compensability.³⁶

Under Section 20 (A) of the 2010 POEA-SEC, the employer is liable for disability benefits when the seafarer suffers from a work-related injury or illness during the term of his contract. A work-related illness is defined as “any sickness as a result of an occupational disease listed under Section 32-A of this Contract with the conditions set therein satisfied.”³⁷ The provision reads:

SECTION 32-A. OCCUPATIONAL DISEASES

For an occupational disease and the resulting disability or death to be compensable, all of the following conditions must be satisfied:

1. The seafarer’s work must involve the risks described herein;
2. The disease was contracted as a result of the seafarer’s exposure to the described risks;
3. The disease was contracted within a period of exposure and under such other factors necessary to contract it; and
4. There was no notorious negligence on the part of the seafarer.

It should be stressed that petitioner’s diagnosed illnesses of “*Cerebrovascular infarct, Left Pons, Hypertensive Cardiovascular Disease and Diabetes Mellitus*” are **presumed to be work-related**, since these are listed under Section 32-A (Occupational Diseases) of the 2010 POEA-SEC. Particularly, they are listed under paragraphs 12 and 13, respectively referring to “*Cerebro-vascular events*” and “*End Organ Damage Resulting from Uncontrolled Hypertension.*”

³⁵ Id. at 938.

³⁶ See *Atienza v. Orophil Shipping International Co., Inc.*, 815 Phil. 480 (2017).

³⁷ See *Phil synergy Maritime, Inc. v. Gallano, Jr.*, supra, at 938. See also Item No. 16, Definition of Terms of the 2010 POEA-SEC.

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Meanwhile, for cerebrovascular disease to be deemed compensable, paragraph 12, Section 32-A of the 2010 POEA-SEC requires all of the following conditions to be met:

12. CEREBROVASCULAR EVENTS

All of the following conditions must be met:

- a. If the heart disease was known to have been present during employment, there must be proof that an acute exacerbation was clearly precipitated by an unusual strain by reasons of the nature of his work.
- b. The strain of work that brings about an acute attack must be [of] sufficient severity and must be followed within 24 hours by the clinical signs of a cardiac insult to constitute causal relationship.
- c. If a person who was apparently asymptomatic before being subjected to strain at work showed signs and symptoms of cardiac injury during the performance of his work and such symptoms and signs persisted, it is reasonable to claim a causal relationship.
- d. If a person is a known hypertensive or diabetic, he should show compliance with prescribed maintenance and doctor-recommended lifestyle changes. The employer shall provide a workplace conducive for such compliance in accordance with Section 1(A) paragraph 5.
- e. In [sic] a patient not known to have hypertension or diabetes, as indicated on his last PEME[.]

On the other hand, for hypertension to be deemed compensable, paragraph 13, Section 32-A of the 2010 POEA-SEC provides:

Impairment of function of the organs such as kidneys, heart, eyes and brain under the following conditions considered compensable:

- a. If a person is a known hypertensive or diabetic, he should show compliance with prescribed maintenance medications and doctor-recommended lifestyle changes. The employer shall provide a workplace conducive for such compliance in accordance with Section 1 (A) paragraph.
- b. In [sic] a patient not known to have hypertension has the following on his last PEME: normal BP, normal CXR and ECG/treadmill.

Here, petitioner suffered a brain stroke which eventually led to a diagnosis for "Cerebrovascular infarct, Left Pons, Hypertensive Cardiovascular Disease and Diabetes Mellitus." It is not difficult to discern that the nature of the duties performed by petitioner as an oiler and his exposure to various elements while on board the vessel have contributed to the onset or aggravation of his illnesses.³⁸ To highlight, it is undisputed that petitioner's duties on board were to "maintain[], clean[], and at times, operate[] ship engine parts, including blowers, compressors, motors, gears, ejectors, and other equipment." Petitioner likewise operated the lubricant

³⁸ See *rollo*, p. 170.

filtering and purifying equipment and kept logs of the vessel's oiling. In doing his work, petitioner stayed for a considerable period at the vessel's engine room which experienced fluctuating and extreme temperatures. Moreover, he was exposed to engine fumes and chemicals which all the more contributed or at least aggravated his illness.³⁹ In fact, it was while in the performance of his duties on board the MV Navios Koyo that petitioner experienced the major symptoms of a cerebrovascular event, *i.e.*, blurry vision, dizziness, numbness in the right side of the body and speech becoming slurred.⁴⁰ Clearly, **a linkage between petitioner's illnesses and work exists in this case.** To be sure, jurisprudence provides that the existing nature of the seafarer's illness does not bar compensation if the same was aggravated due to his working conditions.⁴¹

Moreover, petitioner was able to show compliance with the requisites listed under paragraphs 12 and 13, Section 32-A of the 2010 POEA-SEC. To be specific, petitioner's case falls under paragraphs 12 (d) and 13 (a) as he was shown to be hypertensive and diabetic, and was taking prescribed medications, such as Metformin, Glebenclamide, and Amlodipine Besilate.⁴²

Having established work-relatedness and the compensability of petitioner's illnesses, the Court may now determine the nature (*i.e.*, permanent and total or temporary and total) and, in turn, the proper amount of disability benefits to which he is entitled.

Case law instructs that in the event that a seafarer suffers a work-related illness in the course of his employment, the employer is obligated to refer him or her to a company-designated physician, who has the responsibility to arrive at a final and definite assessment of the seafarer's degree of disability within a period of 120 days from repatriation. This period may be extended up to a maximum of 240 days, if the seafarer requires further medical treatment.⁴³ Notably, the responsibility of the company-designated physician to come up with a final and definite assessment within the foregoing prescribed periods demands that the disability rating be properly reflected in a formal medical report. On this score, it is well-established that, **to be deemed valid, this assessment must be complete and definite**; otherwise, the medical report shall be set aside and the disability grading contained therein rendered invalid.⁴⁴ In this instance, where the precise medical status of the seafarer's

³⁹ See *id.* at 12.

⁴⁰ See *id.* at 38.

⁴¹ *Atienza v. Orophil Shipping International Co., Inc.*, *supra* note 36, at 506-507, citing *Canuel v. Magsaysay Maritime Corporation*, 745 Phil. 252 (2014).

⁴² See *rollo*, pp. 12-13.

⁴³ *Ampo-on v. Reinier Pacific International Shipping, Inc.*, G.R. No. 240614, June 10, 2019, 904 SCRA 125, 136.

⁴⁴ See *Salas v. Transmed Muniña Corporation*. G.R. No. 247221, June 15, 2020.

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disability remains unresolved, the **law steps in and deems the same as total and permanent.**⁴⁵

In this case, it appears that the lower tribunals glossed over the fact that no final and definite assessment was made within the prescribed periods, thereby rendering petitioner's disability as total and permanent by operation of law.⁴⁶

Records disclose that petitioner was medically repatriated on June 13, 2016, had undergone assessment before June 22, 2016 when he was discharged, and eventually was issued a **Medical Report dated July 5, 2016** by the company-designated physician. Notably, apart from such report, no other medical report appears on record. However, the medical report by the company-designated physician, while issued within the prescribed period, **failed to contain any statement – much less an assessment – on the degree of petitioner's disability. Hence, the same cannot be considered as a final and definite disability assessment.** The medical report states in relevant part:

Cerebrovascular Infarct risk factors are age smoking, alcohol intake, Hypertension and Hypercholesterolemia – All of which are not work-related.

The etiology/cause of Hypertensive Cardiovascular Disease is not work-related. It is multifactorial in origin which includes genetic predisposition; poor lifestyle, high salt intake, smoking, Diabetes Mellitus, age and increased sympathetic activity.

Diabetes Mellitus is usually familial/hereditary and is not work related.⁴⁷

As may be gleaned above, the medical report merely contained a general description of the risk factors and etiology of petitioner's illnesses, and a simple conclusion that petitioner's illnesses were not work-related.⁴⁸ It does not, however, contain any final and definite disability assessment as to petitioner's medical condition, degree of disability, and whether he was fit to work. As per prevailing jurisprudence, such omission renders petitioner's disability as total and permanent by force of law.

Aside from the foregoing, it is also well to note that certain facts appearing on record further bolsters the conclusion that the Medical Report dated July 5, 2016 cannot, by any stretch of the imagination, be deemed the final and definite assessment of petitioner's medical condition. These are: (1) the fact that petitioner was still medically examined by the company-

⁴⁵ *Ampo-on v. Reinier Pacific International Shipping, Inc.*, supra, at 137.

⁴⁶ *Salas v. Transmed Manila Corporation*, supra, at 136-137, citing *Ampo-on v. Reinier Pacific International Shipping*, id. at 136-137.

⁴⁷ *Rollo*, pp. 196 and 229.

⁴⁸ Id. at 174.

designated physician the following day, *i.e.*, on July 6, 2016;⁴⁹ and (2) the fact that petitioner was made to write an undertaking to return on July 20, 2016 for further medical examination.⁵⁰

Verily, the failure of the company-designated physician to issue a final and definite assessment within the prescribed periods gave rise to the conclusive presumption that petitioner's disability was total and permanent; thus, entitling him to total and permanent disability benefits. In this regard, it bears emphasizing that the issuance of a final and definite disability assessment by the employer within the prescribed periods is strictly necessary in order to determine the true extent of a seafarer's sickness or injury and his or her capacity to resume work as such. Without such assessment, the extent of a seafarer's sickness or injury remains an open question and thus, prejudicial to claims for disability benefits. As such, in line with the general policy of our laws to afford protection to labor, the failure to comply with this mandatory requirement renders the seafarer's disability as total and permanent by operation of law.⁵¹

In fine, the Court finds that the NLRC's ruling is tainted with grave abuse of discretion and hence, should have been reversed by the CA through *certiorari*. Accordingly, the CA's ruling must be reversed and set aside. Petitioner is entitled to the payment of total and permanent disability benefits in the sum of US\$60,000.00, which is the amount provided under Section 32 of the 2010 POEA-SEC.⁵²

Meanwhile, anent petitioner's claim for moral and exemplary damages, it appears from the records that these were not supported by any proof of bad faith or malice on respondents' part and hence, must be denied.⁵³ With regard to his claim of attorney's fees, however, the Court finds that petitioner is entitled to attorney's fees in the amount equivalent to ten percent (10%) of the total award, or its Peso equivalent at the time of payment, in line with prevailing jurisprudence.⁵⁴ This is because petitioner was forced to litigate and incur expenses to protect his valid claim. Finally, all monetary awards due to petitioner shall earn legal interest at the rate of six percent (6%) per annum from the finality of this Decision until full payment.⁵⁵

⁴⁹ Id. at 156.

⁵⁰ Id. at 156 and 174-175.

⁵¹ *Salas v. Transmed Manila Corporation*, supra note 44.

⁵² See *Pelagio v. Philippine Transmarine Carriers, Inc.*, G.R. No. 231773, March 11, 2019, citing *Nacar v. Gallery Frames*, 716 Phil. 267 (2013).

⁵³ See *BPI Family Bank v. Franco*, 563 Phil. 495, 514-515 (2007).

⁵⁴ See *Atienza v. Orophil Shipping International Co., Inc.*, supra note 36.

⁵⁵ See *Teodoro v. Teekay Shipping Philippines, Inc.*, G.R. No. 244721, February 5, 2020.


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WHEREFORE, the petition is **PARTLY GRANTED**. The Decision dated September 30, 2020 and the Resolution dated June 11, 2021 of the Court of Appeals in CA-G.R. SP No. 154448 are hereby **REVERSED** and **SET ASIDE**. Accordingly, the Decision dated June 30, 2017 of the Labor Arbiter in NLRC NCR Case No. (M) 02-01694-17 awarding petitioner Rodelio R. Onia the amount of US\$60,000.00 representing his total and permanent disability benefits and ten percent (10%) attorney's fees is hereby **REINSTATED WITH MODIFICATION**, deleting the awards of moral and exemplary damages and imposing on said monetary awards interest at the legal rate of six percent (6%) per annum from the finality of this Decision until full payment.


SO ORDERED.



ESTELA M. PERLAS-BERNABE
 Senior Associate Justice

WE CONCUR:


RAMON PAUL L. HERNANDO
 Associate Justice



HENRI JEAN PAUL B. INTING
 Associate Justice


SAMUEL H. GAERLAN
 Associate Justice


JAPAR B. DIMAAMPAO
 Associate Justice

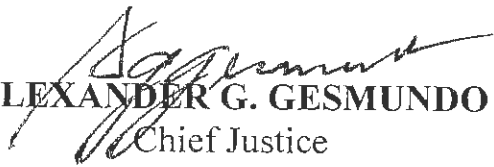
ATTESTATION

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.


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 case was assigned to the writer of the opinion of the Court's Division.


ALEXANDER G. GESMUNDO
Chief Justice