



Republic of the Philippines
 Supreme Court
 Manila

SECOND DIVISION

JUAN B. HERNANDEZ,
Petitioner,

G.R. No. 209098

- versus -

Present:

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

**CROSSWORLD MARINE SERVICES,
 INC., MYKONOS SHIPPING CO.,
 LTD., and ELEAZAR DIAZ**
Respondents.

Promulgated:
14 NOV 2016

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DECISION

DEL CASTILLO, J.:

Assailed in this Petition for Review on *Certiorari*¹ are the November 29, 2012 Decision² of the Court of Appeals (CA) in CA-G.R. SP No. 124685 which set aside the February 23, 2012 Decision³ and March 16, 2012 Resolution⁴ of the National Labor Relations Commission (NLRC) in NLRC LAC (OFW-M)-11-000995-11 and dismissed herein petitioner's Complaint⁵ in NLRC-NCR Case No. (M) 04-05732-11. Also assailed herein is the CA's September 3, 2013 Resolution⁶ denying reconsideration of its assailed Decision.

Factual Antecedents

The Labor Arbiter, NLRC, and CA adopt an identical narrative of the salient facts.

* On official leave.
¹ *Rollo*, pp. 27-66.
² Id. at 68-82; penned by Associate Justice Magdangal M. de Leon and concurred in by Associate Justices Myra V. Garcia-Fernandez and Zenaida T. Galapate-Laguilles.
³ Id. at 242-253; penned by Presiding Commissioner Alex A. Lopez and concurred in by Commissioners Gregorio O. Bilog III and Pablo C. Espiritu, Jr.
⁴ Id. at 264-265.
⁵ Id. at 87-89.
⁶ Id. at 84-86.

Petitioner Juan B. Hernandez has been working continuously for respondents Mykonos Shipping Co., Ltd. (Mykonos), Crossworld Marine Services, Inc. (Crossworld), and Eleazar Diaz (Diaz) – Crossworld's President/Chief Executive Officer – since November 14, 2005, under different employment contracts covering the latter's several oceangoing vessels.

On October 7, 2008, petitioner was once more engaged by respondents to work as Chief Cook aboard the vessel M/V Nikomarin. This latest employment was for a period of nine months, with a monthly salary of US\$587.00, plus fixed overtime pay, food allowance, leave pay, and long service bonus. When his contract expired, petitioner's service was extended for an additional five months. Thereafter, he was repatriated on December 19, 2009.

With a view to serving respondents anew under a new contract, petitioner was made to undergo a pre-employment medical examination on March 22, 2010, and he was found to be suffering from hypertension and diabetes mellitus. He was declared fit for duty and required to take maintenance medication. However, respondents deferred his employment on account of his state of health.

In 2011, petitioner consulted two separate physicians who turned out the same diagnosis: that he was suffering from hypertension, stage 2, and type 2 diabetes mellitus, and was therefore unfit for sea duty in whatever capacity as seaman.

Petitioner demanded compensation by way of disability benefits and medical expenses from respondents, but the latter refused to pay.

Ruling of the Labor Arbiter

On April 8, 2011, petitioner filed a claim for disability benefits, medical expenses, allowances, damages, and attorney's fees against respondents before the Labor Arbiter, which was docketed as NLRC-NCR Case No. (M) 04-05732-11.

On August 31, 2011, Labor Arbiter Jose G. De Vera issued his Decision⁷ in the case, which decreed as follows:

There are formidable grounds why said complainant's claims must fail.

First, the complainant was repatriated not on medical grounds but on account of the completion of his employment contract. x x x

Second, it cannot be denied that before complainant was deployed and

⁷ Id. at 203-206.



joined his vessel on October 17, 2008, he was already afflicted with hypertension and diabetes mellitus as found during his pre-employment medical examination. As a matter of fact, complainant admitted that upon joining the vessel in France, he had with him various maintenance drugs for his hypertension and diabetes mellitus. This necessarily indicates that complainant's medical condition of hypertension and diabetes mellitus were pre-existing and contracted during his employment on board the vessel from October 17, 2008 until he finished his contract and eventually repatriated on December 19, 2009. Moreover, there is no record that while on board the vessel for the entire period of his employment, he was treated on board the vessel and/or confined in a clinic or hospital in the foreign ports. In short, there is no proof of any aggravation of his ailments.

Third, the complainant was repatriated not on medical grounds but precisely on account of completion of his employment contract. Hence, there was no reason for him to submit to post-employment medical examination within three (3) days from date of his arrival on December 19, 2009. In fact, there is no record that complainant had reported to the respondents Crossworld for the mandatory post-employment medical examination preparatory to further treatment and management of his ailments as contemplated under Section 20 [B] paragraph 3 of the POEA Standard Employment Contract. If there was any medical examination conducted thereafter, it was not for purposes of the complainant's claim for disability benefit and medical expenses, but precisely for purposes of his aborted next employment contract sometime in March 2010.

WHEREFORE, all the foregoing premises being considered, judgment is hereby rendered dismissing the complaint for lack of merit.

SO ORDERED.⁸

Ruling of the National Labor Relations Commission

Petitioner appealed before the NLRC, where the case was docketed as NLRC LAC (OFW-M)-11-000995-11.

On February 23, 2012, the NLRC rendered its Decision granting the appeal, thus setting aside the Labor Arbiter's August 31, 2011 Decision and awarding petitioner's claims, as follows:

Complainant claims that as Chief Cook, his duties include the provisioning of the ship, food preparation and budgeting, cleaning of dining, kitchen, galley and food compartment and work areas; carrying of ship provisions, and cleaning the heavy cooking utensils used by the vessel's cooks; likewise, he is constantly exposed to the different climates, unpredictable weather and the perils of the sea.

In general, diabetes mellitus is a group of metabolic diseases which a person has high blood sugar, either because the body does not produce enough insulin, or because cells do not respond to the insulin that is produced.

⁸ Id. at 205-206.

‘What are its risk factors?’

‘Stress, both physical and mental, can send the blood sugar out of wreck.
x x x Both physical and emotional stress can prompt an increase in these hormones, resulting in an increase in blood sugars.’

Day in and day out, with the continuous discharge by complainant of his duties, the increase in his blood sugar becomes inevitable, thus aggravating his controlled diabetes mellitus.

x x x x

Upon the other hand, high blood pressure is an ailment that is work connected and is listed as a compensable ailment.

x x x x

Section 20, paragraph (B) sub paragraph 4 of the POEA-SEC provides that those illnesses not listed in Section 32 of this contract are disputably presumed work related.

x x x x

Undeniably, therefore, there is work connection between the complainant’s aggravation of his illness and his work.

Capital is being made by respondents, and concurred in by the Labor Arbiter, over the alleged non-reporting for post employment medical examination within three (3) days from his arrival.

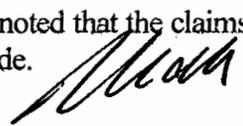
On the other hand, complainant claims ‘that he reported his condition to respondents, but the latter refused to provide him with his needed medical assistance and attention. He was just told to go home to his province and rest. Complainant then went home to his province and had his condition checked by a local doctor.

In *Interiorient Maritime Enterprises, Inc. vs. Leonora Remo*,⁹ it was ruled that where the absence of a post-employment medical examination was not due to seafarer’s fault but to the inadvertence or deliberate refusal of petitioners, this cannot defeat respondent’s claim.’

In a change of heart, and after realizing their folly, respondents ordered complainant to undergo a medical examination by the company doctor on March 22, 2010 again preparatory to the signing of a new employment contract.

Under the circumstances, We have no other recourse but to re-echo the Supreme Court ruling that should doubt exist between the evidence presented by the employer and the employee, the scales of justice must be tilted in favor of the latter.

In this regard, We have noted that the claims of the parties (complainant and respondents) were orally made.



⁹ 636 Phil. 240 (2010).

As the records show, the next employment contract was no longer consummated because of the hypertension and diabetes mellitus. In fact, complainant was never redeployed by respondents.

In *Lloreta vs. Philippine Transmarine Carriers, Inc., et al.*, the Court held that there is permanent disability where a worker fails to perform his job for more than 120 days, regardless of whether or not he loses the use of any part of his body, while 'total disability means that disablement of an employee to earn wages in the same kind of work of similar nature that he was trained for or accustomed to perform, or any kind of work which a person of his mentality and attainments could do. It does not mean absolute helplessness. In disability compensation, it is not the injury which is compensated, but rather it is the incapacity to work resulting in the impairment of one's earning capacity.'

Under Section 32 of the POEA-SEC, an impediment grade 1 is equivalent to 120% of US\$50,000.00 or US\$60,000.00.

Further medical expenses in the sum of ₱3,221.00¹⁰ were incurred by complainant as shown by the receipts attached to the records.

As complainant was assisted by a counsel de parte, attorney's fees equivalent to 10% of the money awards.

WHEREFORE, the judgment on appeal is REVERSED and SET ASIDE and a NEW ONE entered ordering the respondents, to pay in solidum, in peso equivalent at the time of payment, the following amounts:

1. US\$60,000.00 as disability benefit;
2. ₱3,721.00 as reimbursement of medical expenses; and
3. 10% of the amounts awarded as attorney's fees.

SO ORDERED.¹¹

Respondents moved to reconsider, but the NLRC stood its ground.

Ruling of the Court of Appeals

In a Petition for *Certiorari*¹² filed with the CA and docketed therein as CA-G.R. SP No. 124685, respondents sought to set aside the above NLRC Decision and thus reinstate that of the Labor Arbiter's, arguing mainly that petitioner's illness is not compensable, and consequently, he is not entitled to his other money claims.

Meanwhile, on July 17, 2012, respondents paid petitioner the amount of the judgment award – or the sum of ₱2,702,766.00. In return, petitioner was made to

¹⁰ Should be ₱3,721.00, as prayed for in petitioner's pleadings.

¹¹ *Rollo*, pp. 246-253.

¹² *Id.* at 266-285.

sign a Conditional Satisfaction of Judgment (All Without Prejudice to the Pending Petition for *Certiorari* in the Court of Appeals),¹³ Receipt of Payment,¹⁴ and Affidavit¹⁵ – which were duly filed with the NLRC and CA. The Conditional Satisfaction of Judgment states, in part:

1. x x x. **That payment is hereby made to complainant only to prevent imminent execution that this Honorable Office and the complainant are undertaking.**

2. x x x x

3. That by virtue of said conditional payment of the judgment award x x x, herein complainant will no longer pursue the execution proceedings he initiated by virtue of the judgment x x x.

4. That this Conditional Satisfaction of Judgment is without prejudice to herein respondents' Petition for *Certiorari* pending with the Court of Appeals docketed as CA GR SP No. 124685 x x x; and this Conditional Satisfaction of Judgment is being made only to prevent imminent execution being undertaken by this Honorable office and complainant.

5. **That Complainant understands that in case of reversal and/or modification x x x by the Court of Appeals and/or the Supreme Court, he shall return whatever is due and owing to shipowners/manning agents without need of further demand.**¹⁶ (Emphasis in the original)

On the other hand, the Affidavit essentially states:

3. x x x. **That I understand this payment is being made by the shipowners/manning agents to me only to prevent further execution proceedings that I have initiated with the National Labor Relations Commission (NLRC);**

4. That I understand that the conditional payment of the judgment award is without prejudice to the shipowners'/manning agents' Petition for *Certiorari* pending with the Court of Appeals docketed as CA GR SP No. 124685 x x x;

5. That I understand that the payment of the judgment award x x x includes all my past, present and future expenses and claims, and all kinds of benefits due to me under the POEA employment contract and all collective bargaining agreements and all labor laws and regulations, civil law or any other law whatsoever and all damages, pains and sufferings in connection with my claim;

6. That I have no further claims whatsoever in any theory of law against the Owners of MV 'NIKOMARIN' because of the payment made to me. That I certify and warrant that I will not file any complaint or prosecute any suit or

¹³ Id. at 340-342.

¹⁴ Id. at 343.

¹⁵ Id. at 345-346.

¹⁶ Id. at 340-341.

action in the Philippines, Panama, Japan or any other country against the shipowners and/or the released parties herein after receiving the payment of **US\$66,000.00** or its peso equivalent x x x.¹⁷ (Emphasis in the original)

On November 29, 2012, the CA issued the assailed Decision, containing the following pronouncement:

Before proceeding, this Court must tackle the issue raised by private respondent that the instant petition has already been rendered moot and academic by virtue of the *Conditional Satisfaction of Judgment*, in relation to the pronouncement of the Supreme Court in *Career Phils. Shipmanagement, Inc. vs. Madjus*.¹⁸ Private respondent's contention must be rejected.

First, in *Career Phils. Shipmanagement*, the Supreme Court no longer passed upon the merits of the case because of the concurrence between the findings of the Labor Arbiter and the NLRC. The Supreme Court, not being a trier of facts and taking into account the parallel findings of the two administrative offices specializing in Labor Cases, invoked the doctrine of finality of judgment with respect to factual findings of administrative bodies. The same does not hold true in the instant case, as the NLRC had an opposing view vis-à-vis that of the Labor Arbiter.

Second, the Supreme Court upheld the validity of the conditional settlement of the judgment in *Career Phils. Shipmanagement*. However, the Supreme Court opted to render the action therein moot and academic due to the fact that part of the condition is a prohibition on the part of the seafarer to pursue further claims. It basically rendered the judgment final and executory as against the seafarer but not against the employer. The same does not obtain in the present action. Private respondent still retains the right to judicial recourse in the event the instant petition is granted.

Third, Article 19 of the Civil Code exhorts: '[E]very person must, in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due, and observe honesty and good faith.' Accordingly, private respondent was expected to honor his covenant with petitioners when he signed the *Conditional Satisfaction of Judgment*. To renege thereon constitutes bad faith.

From the foregoing disquisition, it is clear that the present action is not yet moot and academic.

x x x x

There is no question that private respondent was able to finish his contract with petitioners without any incident, notwithstanding the fact that private respondent was already suffering from hypertension and diabetes mellitus prior to boarding the latter's vessel. x x x

x x x x



¹⁷ Id. at 345.

¹⁸ 650 Phil. 157 (2010).

On the other hand, this Court disagrees with the NLRC's finding that private respondent's work aggravated his condition. As aptly noted by the Labor Arbiter, private respondent was able to finish his contract without any incident. x x x

x x x x

Likewise, the Court disagrees with the NLRC's pronouncement that petitioners had a change of heart anent private respondent's post-employment medical examination when they directed the latter to undergo medical examination by the company doctor on March 22, 2010 because the said examination is preparatory to the signing of a new contract. x x x

Indeed, it cannot be concluded that private respondent's condition was aggravated after the expiration of his previous contract, considering that he was still willing to enter into a new contract for deployment on board one of petitioners' vessels. In fact, private respondent indicated in his Exit Interview dated December 21, 2009 that the condition of the ship, its safety level as well as the food, was good and that he actually showed willingness to rejoin the vessel.

Accordingly, this Court finds no basis for the NLRC to declare that private respondent's work aggravated his condition. Certainly, there is also no basis for the NLRC to observe that the dietary provisions on board the ship likewise aggravated private respondent's condition, considering that the latter, as chief cook, prepared the food himself, which he rated as good.

In a plethora of cases, the Supreme Court has ruled that grave abuse of discretion may arise when a lower court or tribunal violates or contravenes the Constitution, the law or existing jurisprudence. By grave abuse of discretion is meant such capricious and whimsical exercise of judgment as is equivalent to lack of jurisdiction.

In fine, We hold that the NLRC committed grave abuse of discretion in rendering/issuing its said *Decision* and *Resolution*.

WHEREFORE, the instant petition is hereby GRANTED. The NLRC *Decision* dated February 12, 2012 and *Resolution* dated March 16, 2012 are hereby ANNULLED and SET ASIDE. Accordingly, private respondent's complaint is hereby DISMISSED.

SO ORDERED.¹⁹

Petitioner filed a Motion for Reconsideration,²⁰ insisting among others that the Petition for *Certiorari* has been rendered moot and academic by the respondents' satisfaction of the judgment in full, and that his illness is compensable. However, the CA denied the same in its September 3, 2013 Resolution. Hence, the present Petition.



¹⁹ *Rollo*, pp. 77-81.

²⁰ *Id.* at 347-371.

Issues

Petitioner submits the following assignment of errors for resolution:

1. THE HONORABLE COURT OF APPEALS ACTED IN A WAY NOT IN ACCORD WITH THE DECISIONS OF THE HONORABLE SUPREME COURT IN HOLDING THAT THE PETITION FOR *CERTIORARI* WAS NOT RENDERED MOOT AND ACADEMIC BY THE VOLUNTARY PAYMENT OF THE JUDGMENT AWARD BY THE PETITIONERS WHICH RESULTED IN THE FULL AND FINAL SATISFACTION OF THE JUDGMENT.
2. THE HONORABLE COURT OF APPEALS COMMITTED GRAVE ABUSE OF DISCRETION IN REVERSING THE NLRC AND DENYING THE CLAIMS OF SEAMAN HERNANDEZ FOR PERMANENT TOTAL DISABILITY COMPENSATION AND OTHER BENEFITS.²¹

Petitioner's Arguments

Praying that the assailed CA pronouncements be set aside and that the NLRC judgment be reinstated instead, petitioner contends in his Petition and Reply²² that contrary to the ruling of the CA, the doctrine in *Career Phils. Ship Management, Inc. v. Madjus* case applies to him as well, since he is likewise prohibited from pursuing further claims under the documents he was made to sign; that all these documents – Conditional Satisfaction of Judgment, Receipt of Payment, and Affidavit – in *Career Phils. Ship Management* and in this case are identical and were prepared by one and the same counsel, the del Rosario and del Rosario Law Offices; that in signing these documents, he did so out of financial necessity and was left with no other recourse; that nonetheless, even assuming that the CA is correct in not applying *Career Phils. Ship Management*, he is still entitled to disability benefits and other claims awarded by the NLRC, as his illness is work-connected and thus compensable; and that he has worked for respondents since 2005 – which shows that his hypertension and diabetes developed and/or were aggravated while working for respondents and having to contend with the perils of the sea, harsh climate and weather conditions, and emotional strain of being away from his family.

Respondents' Arguments

In their joint Comment,²³ respondents reiterate the CA pronouncement, adding that in paying petitioner conditionally, they simply acted in good faith, complied with the execution proceedings, and wanted to prevent garnishment of

²¹ Id. at 37.

²² Id. at 387-403.

²³ Id. at 373-385.

their accounts; that petitioner's illness was not contracted during his employment with them; that diabetes is not a compensable occupational disease; that petitioner's failure to submit to a post-employment medical test by a company-designated physician foreclosed his right to claim disability benefits; and that for the foregoing reasons, petitioner is not entitled to his other claims.

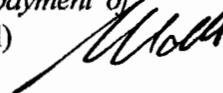
Our Ruling

The Court grants the Petition.

Respondents profess that the Conditional Satisfaction of Judgment, Receipt of Payment, and Affidavit which petitioner was made to sign were prepared in good faith and simply to comply with the execution proceedings below and prevent garnishment of their accounts. However, this Court believes otherwise. Hidden behind these documents appears to be a convenient ploy to deprive petitioner of all his rights to claim indemnity from respondents under all possible causes of action and in all available fora, and effectively *for nothing in return or exchange* – because in the event that the NLRC ruling is reversed, then petitioner must return what he received, thus leaving him with the proverbial empty bag. This is fundamentally unfair, and goes against public policy.

As was held before, human life is not more expendable than corporate capital.²⁴ The survival of the petitioner and his family depends on the former's ability to find and perform work for wages they need to secure food, shelter, clothing, and the education of his children. It may be that in this jurisdiction, petitioner may ultimately be adjudged as not entitled to the monetary claims he seeks, but in other fora – such as in Panama, Japan, or any other country – he may be found to be entitled thereto, and to other indemnities as well. Yet by affixing his signature upon the Conditional Satisfaction of Judgment, Receipt of Payment, and Affidavit, petitioner effectively surrendered all his rights and waived all his claims and causes of action in all jurisdictions, and in exchange for nothing. Indeed, in the Affidavit, petitioner even went so far as to certify and warrant that he will not file any other complaint or prosecute any suit or action here or in any other country after receiving the settlement amount.

6. That I have no further claims whatsoever in any theory of law against the Owners of MV "NIKOMARIN" because of the payment made to me. *That I certify and warrant that I will not file any complaint or prosecute any suit or action in the Philippines, Panama, Japan or any other country against the shipowners and/or the released parties herein after receiving the payment of US\$66,000.00 or its peso equivalent x x x.*²⁵ (Emphasis in the original)



²⁴ *Philippine Apparel Workers Union v. National Labor Relations Commission*, 193 Phil. 599, 617 (1981).

²⁵ *Rollo*, p. 345.

This waiver by petitioner in exchange for nothing has in fact become a reality, since the CA reversed the NLRC ruling, which means that petitioner would now have to return what he received from the respondents, and yet he is left with no available recourse since he agreed that he will not “prosecute **any suit or action** in the Philippines x x x against the shipowners and/or the released parties herein after receiving the payment of US\$66,000.00 or its peso equivalent.”²⁶ “Any suit or action” **literally** includes a petition before this Court to review the CA reversal – or **the instant petition. It also covers a claim for interest that may justly accrue in his favor during the pendency of the case.**

In effect, while petitioner²⁷ had the luxury of having other remedies available to it such as its petition for *certiorari* pending before the appellate court, and an eventual appeal to this Court, respondent,²⁸ on the other hand, could no longer pursue other claims, including for interests that may accrue during the pendency of the case.²⁹

That respondents did not invoke the prohibition in the Affidavit – when the instant Petition was instituted – does not take away the fact that petitioner has been unduly deprived of such recourse through the documents he was made to sign.

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 and appeal, while the employee agreed that she would no longer file any complaint or prosecute any suit of [sic] action against the

²⁶ Id.

²⁷ Employer.

²⁸ Employee.

²⁹ *Career Phils. Ship Management, Inc. v. Madjus*, supra note 18 at 165.

employer after receiving the payment.³⁰ (Emphasis supplied)

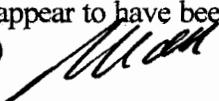
Within the context of the constitutional, legislative, and jurisprudential guarantees afforded to labor, the position petitioner has been led into is unjust, unfair, and arbitrary.

In *More Maritime Agencies, Inc. v. NLRC*,³¹ the Court ruled that:

The law does not consider as valid any agreement to receive less compensation than what a worker is entitled to recover nor prevent him from demanding benefits to which he is entitled. Quitclaims executed by the employees are thus commonly frowned upon as contrary to public policy and ineffective to bar claims for the full measure of the workers legal rights, considering the economic disadvantage of the employee and the inevitable pressure upon him by financial necessity. (Citation omitted)

Respondents could have simply paid the judgment award without attaching conditions that have far-reaching consequences other than those intended by a simple compliance with what was required under the circumstances – that is, the mandatory execution proceedings following a favorable judgment allowed under the Labor Code. But they did not; they had to find a way to tie petitioner’s hands permanently, dangling the check as bait, so to speak. To borrow from a fairly recent ruling of the Court, “[t]he execution [of the documents] cannot be tolerated as it amounts to a deceptive scheme to unconditionally absolve employers from every liability.”³²

x x x. As a rule, quitclaims and waivers or releases are looked upon with disfavor and frowned upon as **contrary to public policy**. They are thus ineffective to bar claims for the full measure of a worker’s legal rights, particularly when the following conditions are applicable: 1) where there is clear proof that the waiver was wangled from an unsuspecting or gullible person, or (2) where the terms of settlement are unconscionable on their face. To determine whether the Quitclaims signed by respondents are valid, **one important factor that must be taken into account is the consideration accepted by respondents; the amount must constitute a reasonable settlement equivalent to the full measure of their legal rights**. In this case, the Quitclaims signed by the respondents do not appear to have been made for valuable consideration. x x x³³ (Emphasis supplied)



³⁰ *Philippine Transmarine Carriers, Inc. v. Legaspi*, 710 Phil. 838, 846-848 (2013).

³¹ 366 Phil. 646, 653-654 (1999).

³² *Hanseatic Shipping Philippines Inc. v. Ballon*, G.R. No. 212764, September 9, 2015, citing *Varorient Shipping Co., Inc. v. Flores*, 646 Phil. 570 (2010). (Words in parentheses supplied)

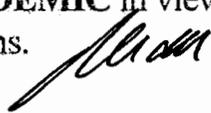
³³ *Hanjin Heavy Industries and Construction Co. Ltd. v. Ibañez*, 578 Phil. 497, 517-518 (2008), citing *Philippine Employ Services and Resources, Inc. v. Paramio*, 471 Phil. 753 (2004); *Land and Housing Development Corporation v. Esquillo*, 508 Phil. 478 (2005); *C. Planas Commercial v. National Labor Relations Commission*, 511 Phil. 232 (2005); and *Martinez v. National Labor Relations Commission*, 358 Phil. 288 (1998).

For what they did, respondents are guilty of bad faith, and should suffer the consequences of their actions. One is that their payment of petitioner's claim should properly be treated as a voluntary settlement of his claim in full satisfaction of the NLRC judgment – which thus rendered the Petition in CA-G.R. SP No. 124685 moot and academic.

For its part, the CA refused to apply the pronouncement in *Career Phils. Shipmanagement*, insinuating that the situation of the parties in said case and in the present one are different in that, in the instant case, petitioner “still retains the right to judicial recourse in the event”³⁴ that the NLRC decision is reversed, while in *Career Phils. Shipmanagement*, “the Supreme Court opted to render the action therein moot and academic due to the fact that part of the condition is a prohibition on the part of the seafarer to pursue further claims”³⁵ as stated in the same Conditional Satisfaction of Judgment, Receipt of Payment, and Affidavit which he was made to sign. The appellate court's position is flawed: petitioner's situation is no different from that of the seafarer in the *Career Phils. Shipmanagement* case. The CA's reasoning laid down in its pronouncement is a mere convenient play on words. Just as in the *Career Phils. Shipmanagement* case, petitioner is equally prohibited from pursuing further claims; it is not simply that petitioner “still retains the right to judicial recourse”; what is of significance is that he stands to gain nothing in the end, and yet is unduly prevented from pursuing further claims – all without the benefit of receiving, in return, valuable consideration or a reasonable settlement equivalent to the full measure of his legal rights.

Respondents' counsel – the Del Rosario & Del Rosario Law Offices – should have known better than to once more utilize the Conditional Satisfaction of Judgment, Receipt of Payment, and Affidavit, knowing that this Court looked upon these very same documents with disfavor in the *Career Phils. Ship Management* case and in subsequent dispositions of the Court,³⁶ insofar as these and similar documents contain terms and conditions that are unfair to the employee.

Having disposed of the case in the foregoing manner, there is no need to pass upon the other issues raised by the parties.

WHEREFORE, the Petition is **GRANTED**. The November 29, 2012 Decision and September 3, 2013 Resolution of the Court of Appeals in CA-G.R. SP No. 124685 are **REVERSED** and **SET ASIDE**, and respondents' Petition for *Certiorari* in said case is considered **MOOT** and **ACADEMIC** in view of the full settlement and complete satisfaction of petitioner's claims. 

³⁴ *Rollo*, p. 78.

³⁵ *Id.* at 77.

³⁶ *Seacrest Maritime Management, Inc. v. Picar, Jr.*, G.R. No. 209383, March 11, 2015, 753 SCRA 207, and *Philippine Transmarine Carriers, Inc. v. Legaspi*, *supra* note 30.

SO ORDERED.


MARIANO C. DEL CASTILLO
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson


ARTURO D. BRION
Associate Justice

(On official leave)
JOSE CATRAL MENDOZA
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

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

