Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

JAN FREDERICK PINEDA DE VERA, Petitioner,	**G.R. No. 223246**
	Present:
- versus -	CARPIO, *J.*, *Chairperson,* PERLAS-BERNABE, CAGUIOA, REYES, J. JR., and LAZARO-JAVIER, *JJ.*
UNITED PHILIPPINE LINES, INC. and/or HOLLAND AMERICA LINE WESTOUR, INC., and DENNY RICARDO C. ESCOBAR, Respondents.	**Promulgated:** 26 JUN 2019

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DECISION

REYES, J. JR., *J.*:

This is a Petition for Review on *Certiorari* seeking to reverse and set aside the August 20, 2015 Decision[1] and the February 5, 2016 Resolution[2] of the Court of Appeals (CA) in CA-G.R. SP No. 135608, which affirmed the February 21, 2014 Decision[3] and the March 27, 2014 Resolution[4] of the National Labor Relations Commission (NLRC) in NLRC LAC No. (OFW-M) 01-000050-14, which in turn reversed and set aside the November 28,

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1 Penned by Associate Justice Mariflor P. Punzalan Castillo, with Associate Justices Florito S. Macalino and Zenaida T. Galapate-Laguilles, concurring; *rollo*, pp. 371-389.

2 Id. at 419-421.

3 Penned by Presiding Commissioner Joseph Gerard E. Mabilog, with Commissioners Isabel G. Panganiban-Ortiguerra and Nieves E. Vivar-De Castro, concurring; id. at 289-300.

4 Id. at 302-303.

2013 Decision[5] of the Labor Arbiter in NLRC-Case No. (M)NCR-04-05863-13, a case for permanent and total disability benefits claim by a seafarer.

The Facts

On July 13, 2012, respondent United Philippine Lines, Inc. (UPLI), a local manning agency and domestic corporation engaged in the business of recruitment and placement of seafarers, employed petitioner Jan Frederick Pineda De Vera (De Vera) to work as a Bar Attendant on board the vessel "*M/S Statendam*" for a period of 10 months. UPLI engaged the services of De Vera for and on behalf of its foreign principal, the respondent Holland America Line Westour, Inc. The contract was verified and approved by the Philippine Overseas Employment Administration (POEA) on the same day.[6] De Vera joined his vessel sometime in July 2012.

On December 15, 2012 and while on board the vessel, De Vera complained of experiencing pain on his lower back. He was placed under medication for two weeks which only provided temporary relief.

On January 18, 2013, De Vera was brought to East Coast Orthopaedics in Pompano Beach, Florida, USA, where he underwent Magnetic Resonance Imaging (MRI) of his lumbar spine. An MRI Final Report[7] was issued containing the following: "Impression: Moderate degenerative disc disease at L5-S1, with a 5 mm right paramedian disc protrusion causing mass effect on the descending S1 nerve root on the right."[8] On the same day, a physical therapy prescription[9] was issued by Dr. John P. Malloy, recommending De Vera to undergo the "McKenzie Program" for his back pains and to engage in "ROM/strengthening exercises, core strengthening, and lumbar stabilization."

On January 22, 2013, Holland issued a Crew Home Referral Request[10] stating that De Vera's early repatriation had been requested. Consequently, De Vera was medically repatriated to Manila on February 3, 2013. Upon his arrival, De Vera was referred by UPLI to the company-designated physicians at Shiphealth, Inc. in Ermita, Manila, for further evaluation and management of his condition. On February 13, 2013, De Vera had his initial consultation with the company-designated physicians, Dr. Abigael T. Agustin (Dr. Agustin) and Dr. Maria Gracia K. Gutay (Dr. Gutay).[11] After

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5 Penned by Labor Arbiter Virginia T. Luyas-Azarraga; id. at 201-209.
6 Id. at 86.
7 Id. at 89-90.
8 Id. at 90.
9 Id. at 88.
10 Id. at 92.
11 Id. at 161-162.

the initial consultation, the company-designated physicians referred De Vera for evaluation by an orthopedic spine surgeon.[12]

It would appear that De Vera was referred to Dr. Adrian Catbagan (Dr. Catbagan), an orthopedic spine surgeon at the Philippine General Hospital. On February 15, 2013, De Vera was examined by Dr. Catbagan, who did not note any neurologic deficit on the patient. Dr. Catbagan advised conservative management and rehabilitative treatment. He also prescribed medicines for the pain. Consequently, De Vera was referred to a physiatrist on February 18, 2013 for physical therapy.[13]

De Vera completed six sessions of physical therapy. His physical examination also showed improved range of motion of the back and absence of neurologic deficits. Nevertheless, another set of six physical therapy sessions was still recommended for further pain relief.[14] After completing the second set of physical therapy sessions, the company-designated physicians noted full range of motion of De Vera's back and trunk. They also noted that Dr. Catbagan and the physiatrist cleared De Vera. Thus, rehabilitative therapy was discontinued.[15]

On March 11, 2013, De Vera received the following amounts from UPLI: (1) ₱26,537.20 representing sickness allowance from February 1, 2013 to March 1, 2013;[16] (2) ₱2,500.00 representing reimbursement of travel expenses;[17] and (3) ₱2,500.00 representing reimbursement of medical expenses.[18]

On April 2, 2013, the company-designated physicians issued their 5th and Final Medical Summary Report[19] where it was stated that "*Physical Capacity Evaluation on March 23, 2013 showed physical examination findings that were normal, and material and nonmaterial handling tests that were completed without complaints of lumbar or back pain.* ***Overall recommendation revealed [that] patient was fit to work.***"[20]

On April 18, 2013, apparently not convinced with the fit to work declaration, De Vera filed a complaint for total and permanent disability

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12 Id. at 162.
13 Id. at 91, 163.
14 Id. at 164.
15 Id. at 165.
16 Id. at 169.
17 Id. at 171.
18 Id. at 172.
19 Id. at 166-167.
20 Id. at 167.

benefits, underpayment and non-payment of wages, non-payment of two months sick wages, moral and exemplary damages, and attorney's fees.[21]

However, on April 19, 2013, De Vera acknowledged receipt from UPLI of the amount of ₱21,614.96 representing the second and final payment of his sickness allowance and maintenance pay.[22] Further, on April 22, 2013, De Vera executed a Deed of Release and Quitclaim[23] wherein in consideration of the amount of ₱40,808.16, he released and discharged the respondents from any and all claims arising from his employment on board M/S Statendam.

On July 25, 2013, De Vera sought the medical opinion of Dr. Cesar H. Garcia (Dr. Garcia), an orthopedic surgeon. On the same day, after examining De Vera, Dr. Garcia concluded that the former is "unfit to work as a seaman in any capacity."[24]

The Labor Arbiter Ruling

In its Decision dated November 28, 2013, the Labor Arbiter ruled that De Vera has been rendered totally and permanently disabled to perform his duties as a seafarer. The Labor Arbiter adjudged the respondents to pay De Vera the full coverage of his disability benefits in the amount of US$60,000.00. It also awarded De Vera attorney's fees equivalent to 10% of the total monetary award. In ruling for De Vera, the Labor Arbiter ratiocinated that despite the company-designated physicians' declaration of fitness for sea duty, De Vera has never been gainfully employed by the respondents thereby impairing his earning capacity. The dispositive portion of the decision states:

> WHEREFORE, PREMISES CONSIDERED, judgment [is] rendered ordering respondents jointly and severally to pay complainant Sixty Thousand U.S. Dollars (US$60,000.00) or its peso equivalent at the time of payment, plus 10% of the total award as attorney's fees.
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> SO ORDERED.[25]

Unconvinced, the respondents elevated an appeal to the NLRC.

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21 Id. at 58-59.
22 Id. at 170.
23 Id. at 173-174.
24 Id. at 93-96.
25 Id. at 209.

The NLRC Ruling

In its Decision dated February 21, 2014, the NLRC reversed and set aside the November 28, 2013 Labor Arbiter Decision. It stressed that the company-designated physicians examined and treated De Vera for 58 days before finally clearing him of his medical condition. On the other hand, Dr. Garcia made his declaration of unfitness for work after a single consultation. Thus, unlike the company-designated physicians, Dr. Garcia did not have the chance to closely monitor De Vera's illness. It also noted that Dr. Garcia made his conclusion on the basis of previous findings and examinations performed by the company-designated physicians, as well as on the statements supplied by De Vera. As such, his findings were unsupported by sufficient proof.

The NLRC also observed that De Vera voluntarily executed a Deed of Release and Quitclaim in the respondents' favor right after the issuance of the final medical assessment. The NLRC explained that in executing the said document, De Vera impliedly admitted the correctness of the assessment by the company-designated physicians. It also pointed out that merely four days after filing the complaint, De Vera executed a Deed of Release and Quitclaim in favor of the respondents, which the former neither challenged nor refuted. Thus, the NLRC ruled that De Vera's cause of action is without merit. The dispositive portion of the NLRC Decision reads:

> WHEREFORE, premises considered, the Decision dated November 28, 2013 is hereby REVERSED and SET ASIDE.
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> SO ORDERED.[26]

De Vera moved for reconsideration, but the same was denied by the NLRC in its March 27, 2014 Resolution.

Aggrieved, De Vera filed a petition for *certiorari* before the CA.

The CA Ruling

In its assailed August 20, 2015 Decision, the CA denied De Vera's petition and affirmed the February 21, 2014 Decision and the March 27, 2014 Resolution of the NLRC.

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[26] Id. at 299.

The appellate court ratiocinated that De Vera failed to comply with Section 20(A)(3) of the POEA-Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers on Board Ocean-Going Ships or the POEA-Standard Employment Contract (POEA-SEC). It explained that the parties should have sought the opinion of an independent third doctor in view of the contradictory findings of the company-designated physicians and the seafarer's physician. It further noted that the respondents were not aware of De Vera's disagreement with the "fit to work" assessment by the company-designated physicians at the time he filed his complaint. Because of this and considering the failure to obtain the opinion of a third doctor, the appellate court ruled that the medical findings by the company-designated physicians must be upheld.

The appellate court further opined that even on the assumption that the third doctor's opinion may be dispensed with, the findings by the company-designated physicians deserve more credence than that of De Vera's personal physician. It pointed out that Dr. Garcia examined De Vera only once and merely interpreted the medical findings by the company-designated physicians. In contrast, the company-designated physicians examined De Vera several times for a period of two months even issuing a separate medical report after each examination. Thus, the appellate court ruled that the assessment made by the company-designated physicians is more reliable.

Lastly, the appellate court concurred with the NLRC's observation that De Vera impliedly admitted the correctness of the medical assessment by the company-designated physicians when he executed a Deed of Release and Quitclaim releasing and discharging the respondents from all claims arising from his employment.

In sum, the CA dismissed the contention that the NLRC committed grave abuse of discretion when it reversed the Labor Arbiter's November 28, 2013 Decision. The *fallo* of the assailed decision states:

> WHEREFORE, premises considered, the instant petition is DENIED. The assailed Decision dated February 21, 2014 and Resolution dated March 27, 2014, both rendered by public respondent NLRC, are AFFIRMED.
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> SO ORDERED.[27]

De Vera moved for reconsideration, but the same was denied by the CA in its assailed February 5, 2016 Resolution.

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[27] Id. at 388.

Hence, this petition.

The Issue

WHETHER THE CA ERRED WHEN IT AFFIRMED THE FEBRUARY 21, 2014 DECISION AND THE MARCH 27, 2014 RESOLUTION OF THE NLRC AND RULING THAT DE VERA IS NOT ENTITLED TO ANY DISABILITY COMPENSATION.

De Vera maintains that he is entitled to total and permanent disability compensation. He asserts that resorting to the opinion of an independent third doctor is merely directory and not mandatory. He also argues that the final medical report by the company-designated physicians which stated that the patient has "maximally medically improved" is not similar to a declaration of fit to work. He also claims that Dr. Garcia, as a medical expert, may base his opinion on the clinical history of his patient. Thus, Dr. Garcia's assessment that he is now unfit to work as a seaman in any capacity deserves great consideration. Further, he contends that the NLRC and the CA erred in affirming the validity of the Deed of Release and Quitclaim alleging that the respondents committed fraud when they prepared the said document. Finally, he claims that he is entitled to damages and attorney's fees insisting that the respondents committed bad faith.

The Court's Ruling

The petition is bereft of any merit.

De Vera's complaint for total and permanent disability benefits was premature.

Entitlement to disability benefits by seafarers is a matter governed, not only by the medical findings of the respective physicians of the parties, but, more importantly, by the applicable Philippine laws and by the contract between the parties. By law, the material statutory provisions are Articles 191 to 193 of the Labor Code. By contract, the seafarers and their employers are governed, not only by their mutual agreements, but also by the provisions of the POEA-SEC which are mandated to be integrated in every seafarer's contract.[28] Thus, the issue of whether a seafarer can legally

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28 *Tradephil Shipping Agencies, Inc. v. Dela Cruz*, 806 Phil. 338, 354-355 (2017).

demand and claim disability benefits from his employers for an illness suffered is best addressed by the provisions of the POEA-SEC.[29]

In this case, records disclose that De Vera's employment with the respondents is governed by the 2010 POEA-SEC. On a seafarer's compensation and benefits after suffering from a work-related injury or illness, the last paragraph of Section 20(A)(3) of the 2010 POEA-SEC provides:

> SEC. 20. Compensation and Benefits.
>
> A. Compensation and Benefits for Injury or Illness
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> x x x x
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> 3. x x x x
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> **If a doctor appointed by the seafarer disagrees with the assessment, a third doctor may be agreed jointly between the Employer and the seafarer. The third doctor's decision shall be final and binding on both parties.** (Emphasis supplied)

In this regard, in *C.F. Sharp Crew Management, Inc. v. Taok*,[30] the Court enumerated the instances where a seafarer's cause of action for total and permanent disability benefits may arise, to wit:

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

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29 *Andrada v. Agemar Manning Agency, Inc.*, 698 Phil. 170, 181 (2012).

30 691 Phil. 521 (2012).

> Based on this Court's pronouncements in *Vergara,* it is easily discernible that the 120-day or 240-day period and the obligations the law imposed on the employer are determinative of when a seafarer's cause of action for total and permanent disability may be considered to have arisen. Thus, a seafarer may pursue an action for total and permanent disability benefits if: (a) the company-designated physician failed to issue a declaration as to his fitness to engage in sea duty or disability even after the lapse of the 120-day period and there is no indication that further medical treatment would address his temporary total disability, hence, justify an extension of the period to 240 days; (b) 240 days had lapsed without any certification being issued by the company-designated physician; **(c) the company-designated physician declared that he is fit for sea duty within the 120-day or 240-day period, as the case may be, but his physician of choice and the doctor chosen under Section 20-B(3) of the POEA-SEC are of a contrary opinion**; (d) the company-designated physician acknowledged that he is partially permanently disabled but other doctors who he consulted, on his own and jointly with his employer, believed that his disability is not only permanent but total as well; (e) the company-designated physician recognized that he is totally and permanently disabled but there is a dispute on the disability grading; (f) the company-designated physician determined that his medical condition is not compensable or work-related under the POEA-SEC but his doctor-of-choice and the third doctor selected under Section 20-B(3) of the POEA-SEC found otherwise and declared him unfit to work; (g) the company-designated physician declared him totally and permanently disabled but the employer refuses to pay him the corresponding benefits; and (h) the company-designated physician declared him partially and permanently disabled within the 120-day or 240-day period but he remains incapacitated to perform his usual sea duties after the lapse of the said periods.[31] (Citations omitted, emphasis and underscoring supplied)

Consistent with the aforesaid pronouncements in *C.F. Sharp Crew*, the Court, in *Calimlim v. Wallem Maritime Services, Inc.*,[32] stressed that a seafarer who consulted with his physician of choice after the filing of his complaint for disability does not have a cause of action to sustain his claim, thus:

> The Court notes, however, that Calimlim sought consultation of Dr. Jacinto only on July 9, 2012, more than sixteen (16) months after he was declared fit to work and interestingly four (4) days *after* he had filed the complaint on July 5, 2012. Thus, as aptly ruled by the NLRC, at the time he filed his complaint, he had no cause of action for a disability claim as he did not have any sufficient basis to support the same. The Court also agrees with the CA that seeking a second opinion was a mere afterthought on his part in order to receive a higher compensation.[33]

From the foregoing, it is clear that if the company-designated physician made an assessment declaring the seafarer fit to work within the

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31 Id. at 538-539.
32 800 Phil. 830 (2016).
33 Id. at 844.

applicable period as prescribed under the POEA-SEC and in relevant laws and jurisprudence, the seafarer may pursue his claim for disability benefits only after securing a contrary medical opinion from his physician of choice. In other words, a seafarer seeking compensation for his disability cannot file his claim before seeking a second opinion.

In this case, it is undisputed that the company-designated physicians were able to issue a medical certificate declaring De Vera fit to work on April 2, 2013, or after 48 days of continuous treatment counted from the date of the initial consultation on February 13, 2013, or after 58 days counted from De Vera's repatriation to the Philippines on February 3, 2013. Obviously, the fitness for sea duty declaration by the company-designated physicians was made within the 120-day period prescribed under the POEA-SEC. On the other hand, a plain reading of the records would reveal that De Vera filed the present complaint on April 18, 2013. Records also disclose that De Vera secured a contrary medical opinion from his physician of choice only on July 25, 2013, or 98 days after he filed his complaint.

From these factual considerations, it is very clear that De Vera had no cause of action when he filed the present complaint on April 18, 2013. Thus, the NLRC and the CA did not commit any error when they ruled that De Vera is not entitled to total and permanent disability compensation. As a matter of fact, the Labor Arbiter should have dismissed De Vera's complaint for lack of cause of action at the first instance.

De Vera argues, however, that the company-designated physicians' recommendation in their final medical report that he has already "maximally medically improved" could not be considered as their "fit to work" assessment. He contends that the term "maximum medical improvement" refers to the stage wherein the injured person's condition could no longer be improved, or when a treatment plateau in a person's healing process has been reached. While the term could mean that the patient has fully recovered from the injury, it could also mean that the patient could no longer be healed, or his condition could no longer be expected to improve despite continuing medical treatment or rehabilitative programs. In effect, De Vera is implying that the company-designated physicians failed to give a definite and effective assessment.

De Vera is grasping at straws. The Court observes that the contention against the term "maximally medically improved" in the company-designated physicians' final medical report is a new issue which has not been raised during the proceedings before. It must be highlighted that De Vera's position during the proceedings in the Labor Arbiter, the NLRC, and the CA was that he must be considered as totally and permanently disabled

because of the impairment or loss of his earning capacity as he is unable to earn wages in the same kind of work which he was trained for or accustomed to perform. He never assailed the certainty and finality of the fit to work assessment he received from the company-designated physicians.

More importantly, a simple reading of the final medical report would belie De Vera's contention that the company-designated physicians' fit to work assessment was not definite. Indeed, the company-designated physicians recommended that De Vera has "maximally medically improved." However, they also stated that De Vera's condition has been resolved and recommended that he be discharged from medical coordination. Moreover, they expressly stated that De Vera was already fit to work. It must be repeated that in their Final Medical Summary Report, the company-designated physicians stated that "*Physical Capacity Evaluation on March 23, 2013 showed physical examination findings that were normal, and material and nonmaterial handling tests that were completed without complaints of lumbar or back pain.* ***Overall recommendation revealed [that] patient was fit to work.***"

Thus, while "maximally medically improved" could mean either that the patient has fully recovered or that the patient's condition could no longer be improved, there is no doubt that when the company-designated physicians used the said term in their final medical report, they meant that De Vera has fully recovered and was already fit to work as a seafarer. Hence, the company-designated physicians were able to issue a final and definite medical assessment within the prescribed period.

De Vera failed to validly challenge the assessment by the company-designated physicians; Assessment by the company-designated physicians is more credible.

Even if the Court were to consider De Vera's late consultation with Dr. Garcia and give due course to the assessment he issued, there would still be no valid challenge to the company-designated physicians' assessment.

It is settled that the determination of the fitness of a seafarer for sea duty is the province of the company-designated physician, subject to the periods prescribed by law.[34] This is because it is the company-designated physician who has been granted by the POEA-SEC the first opportunity to

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34 *Carcedo v. Maine Marine Philippines, Inc.*, 758 Phil. 166, 187 (2015).

examine the seafarer and to thereafter issue a certification as to the seafarer's medical status.[35]

However, this does not mean that the company-designated physician's assessment is automatically final, binding or conclusive on the claimant-seafarer as he can still dispute the assessment.[36] In assailing the assessment, the seafarer must comply with the mechanism provided under Section 20(A)(3) of the POEA-SEC which is integrated in the employment contract between the seafarer and his employer and therefore operates as the law between them. Thus, the seafarer may dispute the company-designated physician's assessment by seasonably exercising his prerogative to seek a second opinion and consult a doctor of his choice.[37] In case the findings of the seafarer's physician of choice differ from that of the company-designated physician, the conflicting findings shall be submitted to a third-party doctor, as mutually agreed upon by the parties.[38]

The referral of the conflicting findings to an independent third doctor is important and crucial to the claim of the seafarer. If the seafarer fails to signify his intent to submit the disputed assessment to a third physician, then the company can insist on the disability rating issued by the company-designated physician, even against a contrary opinion by the seafarer's doctor. The duty to secure the opinion of a third doctor belongs to the employee, who must actively or expressly request for it.[39] Failure to comply with the requirement of referral to a third-party physician is tantamount to violation of the terms under the 2010 POEA-SEC, and without a binding third-party opinion, the findings of the company-designated physician shall prevail over the assessment made by the seafarer's doctor.[40] Thus, without the referral to a third doctor, there is no valid challenge to the findings of the company-designated physician. In the absence thereof, the medical pronouncement of the company-designated physician must be upheld.[41]

Indeed, it is settled that the rule that the company-designated physician's findings shall prevail in case of non-referral of the case to a third doctor is not a hard-and-fast rule as the inherent merits of the company-designated physician's medical findings should still be weighed and duly considered.[42] Nevertheless, it is equally true that in case of non-referral with a third doctor, the assessment of the seafarer's physician of choice may be

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35 *Magsaysay Mitsui OSK Marine, Inc. v. Buenaventura*, G.R. No. 195878, January 10, 2018, 850 SCRA 256, 263-264.

36 *Caranto v. Bergesen D.Y. Phils.*, 767 Phil. 750, 761 (2015).

37 Id.

38 *Magsaysay Mitsui OSK Marine, Inc. v. Buenaventura*, supra note 35, at 264.

39 *Hernandez v. Magsaysay Maritime Corp.*, G.R. No. 226103, January 24, 2018.

40 *Dionio v. Trans-Global Maritime Agency, Inc.*, G.R. No. 217362, November 19, 2018.

41 *Yialos Manning Services, Inc. v. Borja*, G.R. No. 227216, July 4, 2018.

42 *Ilustricimo v. NYK-Fil Ship Management, Inc.*, G.R. No. 237487, June 27, 2018.

upheld over that of the company-designated physician only if there is a clear showing that the latter was biased in favor of the employer. Clear bias on the part of the company-designated physician may be shown if there is no scientific relation between the diagnosis and the symptoms felt by the seafarer, or if the final assessment of the company-designated physician is not supported by the medical records of the seafarer.[43]

As already stated, De Vera failed to seek a second opinion prior to the filing of his complaint. His failure to seasonably exercise his option to seek a second opinion necessarily means that he also failed to observe the provisions of Section 20(A)(3) of the 2010 POEA-SEC regarding the appointment of an independent third doctor. De Vera clearly breached the provisions of the 2010 POEA-SEC by his repeated failure to comply with the conflict-resolution procedure laid down therein.

De Vera also failed to show any circumstance which could persuade the Court to disregard the company-designated physicians' findings. Aside from the failed attempt to show that the assessment by the company-designated physicians was not definite and could not be equated to a fit to work assessment, there is no proof, not even a suggestion, which would show that the company-designated physicians were biased in favor of the respondents.

On the contrary, the respondents were able to show that the medical findings and fit to work certification by the company-designated physicians were duly supported by medical records. For the whole duration of De Vera's treatment, the company-designated physicians issued a total of five medical reports stating in each of them the findings and the noted improvements on De Vera's medical condition. The company-designated physicians also referred him to an orthopedic spine surgeon with whom he also had several consultations. De Vera also completed two sets of six physical therapy sessions for a total of 12 sessions upon the recommendation of the orthopedic spine surgeon. After completing the physical therapy sessions and even after being cleared by the orthopedic surgeon, the company-designated physicians recommended that he undergo physical capacity evaluation, which De Vera completed without issue yielding normal results. Clearly, the assessment by the company-designated physicians was duly supported by ample evidence. Therefore, there is no reason to disregard their assessment.

Further, even on the assumption that the third doctor's medical opinion may be dispensed with, the company-designated physicians' fit to

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[43] *C.F. Sharp Crew Management, Inc. v. Castillo*, 809 Phil. 180, 194 (2017); *Magsaysay Mitsui Osk Marine, Inc. v. Buenaventura*, supra note 35, at 267; and *Nonay v. Bahia Shipping Services, Inc.*, 781 Phil. 197, 228 (2016).

work assessment would still prevail as the same is more credible than Dr. Garcia's assessment. Jurisprudence dictates that the assessment of the company-designated physician, such as Dr. Agustin and Dr. Gutay, which was arrived at after several months of treatment and medical evaluation, is more reliable than the assessment of the seafarer's physician, such as Dr. Garcia, who examined the seafarer only once.[44]

De Vera's insistence that he should be considered as totally and permanently disabled as he is now unable to earn wages as a seafarer could not also be sustained.

Jurisprudence holds that a seafarer's inability to resume his work after the lapse of more than 120 days from the time he suffered an injury and/or illness is not a magic wand that automatically warrants the grant of total and permanent disability benefits in his favor. It cannot be used as a cure-all formula for all maritime compensation cases.[45] Additionally, it must be stressed that Section 20(A)(6) of the 2010 POEA-SEC now expressly provides that 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." This express mandate of Section 20(A)(6) of the POEA-SEC have been applied by the Court in the cases of *Splash Philippines, Inc. v. Ruizo*,[46] *Magsaysay Maritime Corporation v. Simbajon*,[47] and *Scanmar Maritime Services, Inc. v. Conag*.[48] In *Scanmar*, the Court clarified that the disability grading the seafarer received, whether from the company-designated physician or from the third independent physician, if the medical findings of the physician chosen by the seafarer conflicts with that of the company-designated doctor, should be the basis of the declaration of disability.[49]

In sum, the Court holds that De Vera is not entitled to total and permanent disability benefits due to lack of cause of action and in view of his failure to refute the company-designated physicians' fit to work assessment. Thus, the CA and the NLRC did not commit any error in their respective decisions and resolutions.

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44 *Ace Navigation Co. v. Garcia*, 760 Phil. 924, 936 (2015); *Tradephil Shipping Agencies, Inc. v. Dela Cruz*, supra note 28, at 357.

45 *Calimlim v. Wallem Maritime Services, Inc.*, supra note 32, at 841.

46 730 Phil. 162 (2014).

47 738 Phil. 824 (2014).

48 784 Phil. 203 (2016).

49 Id. at 214.

The Deed of Release and Quitclaim was validly executed; De Vera is not entitled to attorney's fees.

De Vera also asserts that the NLRC and the CA erred when they ruled that he already admitted the correctness of the company-designated physicians' medical assessment when he signed the Deed of Release and Quitclaim on April 22, 2013. He argues that the respondents committed fraud when they prepared the *pro forma* quitclaim.

The Court is not persuaded.

While De Vera is correct in stating that quitclaims are frowned upon for being contrary to public policy, the Court has, likewise, recognized legitimate waivers that represent a voluntary and reasonable settlement of a worker's claim which should be respected as the law between the parties. Where the person making the waiver has done so voluntarily, with a full understanding thereof, and the consideration for the quitclaim is credible and reasonable, the transaction must be recognized as being a valid and binding undertaking.[50] Thus, to be valid, a deed of release, waiver, and quitclaim must meet the following requirements: (1) that there was no fraud or deceit on the part of any of the parties; (2) that the consideration for the quitclaim is sufficient and reasonable; and (3) that the contract is not contrary to law, public order, public policy, morals or good customs, or prejudicial to a third person with a right recognized by law.[51]

From the foregoing, the Court opines that the subject Deed of Release and Quitclaim is valid. The fact that the respondents prepared the deed beforehand and merely awaited De Vera's signature does not automatically prove the commission of fraud. After all, there was no showing that he was unduly compelled or forced to affix his signature thereon. Further, the amount of ₱40,808.16 as consideration for the quitclaim is reasonable since he is not entitled to any disability benefit and further considering that he already received from the respondents the amounts of ₱26,537.20 and ₱21,614.96, or a total of ₱48,152.16, as sickness allowance and maintenance pay. Necessarily, the deed is not contrary to law, public order, public policy, morals or good customs.

As the subject deed of release and quitclaim is valid, the NLRC and the CA are correct when they declared that De Vera, by executing the Deed of Release and Quitclaim, impliedly admitted the correctness of the

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50 *Sarocam v. Interorient Maritime Ent., Inc.*, 526 Phil. 448, 458 (2006).

51 *De Andres v. Diamond H Marine Services & Shipping Agency, Inc.*, G.R. No. 217345, July 12, 2017, 831 SCRA 129, 150.

assessment of the company-designated physicians and admitted that he could no longer claim for disability benefits.[52]

Finally, since De Vera is not entitled to any of his claims, it goes without saying that he is also not entitled to attorney's fees. There is no more need to belabour on this point.

WHEREFORE, the petition is **DENIED**. The August 20, 2015 Decision and the February 5, 2016 Resolution of the Court of Appeals in CA-G.R. SP No. 135608 are hereby **AFFIRMED**.

SO ORDERED.

JOSE C. REYES, JR.
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

ESTELA M. PERLAS-BERNABE
Associate Justice

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

AMY C. LAZARO-JAVIER
Associate Justice

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[52] *Sarocam v. Interorient Maritime Ent., Inc.*, supra note 50; *Andrada v. Agemar Manning Agency, Inc.*, supra note 29, at 186.

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
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.

LUCAS P. BERSAMIN
Chief Justice