Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

CELSO B. CARAAN, Petitioner, - versus - **GRIEG PHILIPPINES, INC., GRIEG STAR AS (FORMERLY GRIEG SHIPPING AS), and ERNESTO C. MERCADO,** Respondents.	**G.R. No. 252199** Present: PERLAS-BERNABE, *S.A.J., Chairperson*, LAZARO-JAVIER, M. LOPEZ, ROSARIO, J. LOPEZ,* *JJ.* Promulgated: MAY 05 2021

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D E C I S I O N

LAZARO-JAVIER, *J.*:

ANTECEDENTS

In his complaint for total disability benefits, damages, and attorney's fees with notice to arbitrate before the National Conciliation and Mediation Board (NCMB), Celso B. Caraan (petitioner) averred that he had been working with respondent Grieg Philippines, Inc. (Grieg PH) since 2006 onward under various employment contracts.[1] On August 29, 2013, he signed a contract with the company under the following terms:

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* Designated as additional member per S.O. No. 2822 dated April 7, 2021.

1 *Rollo*, pp. 464-465.

Duration of the contract	:	[Nine] 9 months
Position	:	Motorman
Basic monthly wage	:	US$689.00
Hours of work	:	44 hours per week
Overtime	:	US$383.00 Lumpsum Gtd. OT US$4.51 after 85 hours
Vacation leave pay	:	US$230.00 (10 days per month)
Point of hire	:	Manila, Philippines
Collective Bargaining Agreement, if any	:	NIS-AMOSUP[2]

He was certified fit to work under his pre-employment medical examination (PEME) and departed on September 4, 2013 on board MV Star Loen.[3]

As motorman, his work involved strenuous physical activities for his 18-hour shift of sounding tanks, assisting in all maintenance, lifting of heavy equipment, cleaning of incinerators, septic tank and engine room using carbon remover and strong chemical cleanser, regular checking of engine temperature, refilling of tanks of oil and other lubricants and monitoring of motors and machineries. He was also exposed to all kinds of noxious gases, harmful fumes and excessive noise while inside the engine room. As to his dietary provision, he could only eat the food available on board which consisted mainly of high fat, high cholesterol and low fiber food. He even had to endure the call of nature due to the demands of his job.

Due to his working conditions and dietary provision, he experienced pain while urinating and discharged blood in his urine. Upon reaching a convenient port in Japan, he requested and was given medical attention on May 31 and June 1, 2014. He was initially diagnosed[4] with urinary tract infection (UTI) and chronic prostatitis and advised to have a follow-up check-up.

He was declared unfit to work and got medically repatriated on June 1, 2014.[5] Upon his arrival in Manila, Grieg PH did not fetch him at the airport so he just went straight home to Bataan.[6]

The next day, he used the company-issued health card and went to see Dr. A.D. Medina who requested for kidney-urinary-bladder ultrasound and urinalysis at Bataan Saint Joseph Hospital.[7] His wife informed Grieg PH *via* mobile phone that he could not personally report to the office due to his medical condition.[8]

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2 *Id.* at 4.
3 *Id.* at 5, 390.
4 *Id.* at 116, 117.
5 *Id.* at 5, 390.
6 *Id.*
7 *Id.* at 118, 123, 124, 127.
8 *Id.* at 5, 390-391.

Then from June 3-5, 2014, he had a series of laboratory test as an in-patient at Bataan Doctors Hospital and Medical Center. His examination revealed a mass in his left kidney.[9]

On June 13, 2014, he transferred to the National Kidney and Transplant Institute (NKTI) this time under the care of Dr. Florencio Jumarang Pine. The following day, his left kidney was surgically removed. Biopsy later confirmed that he had renal cell carcinoma.[10]

After more than six (6) months, or on February 23, 2015, he sought the medical opinion of a new specialist, Dr. Rommel Galvez, who declared him unfit to work in any capacity as seaman. He diagnosed him with hypertension and renal cell carcinoma in his left kidney.[11]

On the same day, he also sought the medical opinion of Dr. Efren Vicaldo. The latter, too, declared him unfit to work as a seaman in any capacity due to his hypertension which required him to have maintenance medication to prevent cardiovascular complication.[12]

Almost four (4) months later, on June 15, 2015, petitioner filed the present complaint.

Grieg PH countered that petitioner was not medically repatriated but was sent home due to finished contract. It asserted that petitioner forfeited his disability claim for he failed to report to the company-designated physician within three (3) days from repatriation.

RULING OF THE PANEL OF VOLUNTARY ARBITRATORS (PVA)

By Decision[13] dated March 5, 2016, the PVA ruled in favor of petitioner and awarded him disability benefits, thus:

> ***WHEREFORE***, premises considered, judgment is hereby rendered ordering respondents – **Grieg Philippines, Inc., Grieg Star AS (formerly Grieg Shipping AS)**, and **Ernesto C. Mercado**, to pay complainant – **Celso B. Caraan**, jointly and severally, the amount of **NINETY THOUSAND US DOLLARS (US$90,000.00),** representing his permanent and total disability benefits under **Article 12** of the CBA plus ***ten percent (10%)*** thereof as attorney's fees or its equivalent in Philippine Peso at the time of payment.

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9 *Id.* at 5, 120-127.
10 *Id.* at 6.
11 *Id.* at 132.
12 *Id.* at 134.
13 Penned by MVA Walfredo D. Villazor and concurred in by MVA Norberto M. Alensuela, Sr., *id.* at 389-407.

Other claims are dismissed for utter lack of merit.

SO ORDERED.[14]

The PVA[15] found that (1) petitioner substantially complied with the 3-day reportorial requirement under Section 20(A)(3) of the Philippine Overseas Employment Administration Standard Employment Contract (POEA-SEC) when his wife called Grieg PH to report that he was incapacitated to physically report due to his hospitalization right after repatriation; (2) while there was no post-employment medical examination by the company-designated physician, petitioner had undergone an equivalent post-employment medical examination by the doctor of his choice who diagnosed him with renal cell carcinoma; (3) petitioner's illness is compensable under Section 32(a) of POEA-SEC; and (4) petitioner was not gainfully employed for more than two hundred forty (240) days due to lifelong medication as certified by his physicians of choice.

Under Resolution[16] dated May 19, 2016, Grieg PH's motion for reconsideration was denied.

RULING OF THE COURT OF APPEALS

By Decision[17] dated September 13, 2019, the Court of Appeals reversed and dismissed the complaint. It ruled that petitioner was not entitled to disability benefits due to his failure to report and submit to a post-employment medical examination by the company-designated physician within three (3) working days upon his arrival in Manila. It did not give credence to his claim that he was exempt from physically reporting to the company-designated physician because he was physically incapacitated to do so. The Court of Appeals did not also consider in his favor the fact that his spouse had called up his employer to notify it of his medical condition.

The Court of Appeals held that the assessments of his chosen physicians were not sufficient to establish his work-related illness. In the appellate court's opinion, his doctors did not thoroughly evaluate his medical condition since they relied only upon medical tests and procedures done on him several months earlier.

By Resolution[18] dated March 10, 2020, petitioner's motion for reconsideration was denied.

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14 *Id.* at 407.

15 MVA Levy Edwin C. Ang dissented because of petitioner's failure to report to the company-designated physician within three (3) days from repatriation.

16 *Rollo*, pp. 408-409.

17 Penned by Associate Justice Maria Elisa Sempio Diy, and concurred in by Associate Justices Ma. Luisa Quijano-Padilla and Louis P. Acosta, *id.* at 464-480.

18 *Id.* at 512-514.

THE PRESENT PETITION

Petitioner now seeks relief from the Court against the assailed dispositions of the Court of Appeals. He asserts anew that he was excused from physically reporting to a company-designated physician for post-employment medical examination. For the master of the vessel knew that he was seriously ill which was the reason for his repatriation. Even Grieg PH was informed of his medical condition when his wife called regarding his physical inability to personally report to the company-designated doctor. Besides, he used the company-issued health card for his treatment which was already equivalent to notice to his employer of his medical condition. Assuming that he failed to comply with the reporting requirement, his non-compliance would only disqualify him to avail of the sickness allowance but not the disability benefits which he is claiming.

In its Comment dated February 3, 2021, Grieg PH defends the ruling of Court of Appeals. It posits that petitioner was not medically repatriated but was sent home because his contract had ended. It also denied receiving any information from petitioner's wife on his medical condition. It insists that petitioner is not entitled to any disability benefit for failing to seek any post-employment medical examination within three (3) days from his arrival. He was not even seriously ill to be excused from the mandatory reportorial requirement. Too, petitioner failed to prove that his condition was work-related and compensable.

ISSUE

Is petitioner entitled to disability benefits?

RULING

As a rule, the Court is not a trier of facts. It is not the Court's function to analyze or weigh evidence all over again in light of the corollary legal precept that findings of fact of the Court of Appeals are conclusive and binding on this Court.[19] In view, however, of the divergent factual findings of the PVA and the Court of Appeals, the Court is constrained to re-examine the evidence on record for a judicious resolution of the controversy presented in this case.[20]

To be entitled to disability benefits, the Court refers to the provisions of the POEA Contract, as it sets forth the minimum rights of a seafarer and the concomitant obligations of an employer. Under Section 20(B) thereof, these are the requirements for compensability: (1) the seafarer must have submitted to a mandatory post-employment medical examination within three

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[19] See *Gimalay v. Court of Appeals*, G.R. Nos. 240123 & 240125, June 17, 2020.
[20] See *Razonable, Jr. v. Torm Shipping Philippines, Inc.*, G.R. No. 241620, July 7, 2020.

working days upon return; (2) the injury must have existed during the term of the seafarer's employment contract; and (3) the injury must be work-related.[21]

The 3-day reporting requirement is not a bright-line rule but a balancing or fine-line filtering test.

Both Article 10 of the Associated Marine Officer's and Seamen's Union of the Philippines (AMOSUP) Collective Bargaining Agreement (CBA) and Section 20(A)(3) of the Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-board Ocean-Going Ships (2010 POEA-SEC) require a seafarer seeking disability benefits to submit to post-medical examination by a company-designated physician within three (3) working days from his repatriation.

Reporting to the company within three (3) days from repatriation is required so that the company-designated physician can promptly arrive at a medical diagnosis, considering that he has either 120 or 240 days, depending on the circumstances, within which to complete the assessment of the seafarer; otherwise, the disability claim should be granted.[22] Reporting to the company immediately would make it easier for a physician to determine the cause of illness or injury. Beyond the three-day period, it may prove difficult to ascertain the real cause of the illness or injury.[23]

But the three-day period filtering mechanism is not a bright line test. It is not an all-or-nothing requirement that non-compliance automatically means disqualification. The three-day period cannot be interpreted in this manner. For the whole concept of disability benefits to workers is an affirmative social legislation, and the disability benefits in question are a specie of this broad gamut of affirmative social legislation. As expressed in ***Government Service Insurance System v. Raoet***:[24]

> [(C)ompensation benefits legislation is] social legislation whose primordial purpose is to provide meaningful protection to the working class against the hazards of disability, illness, and other contingencies resulting in loss of income. In employee compensation, persons charged by law to carry out the Constitution's social justice objectives should adopt a liberal attitude in deciding compensability claims and should not hesitate to grant compensability where a reasonable measure of work-connection can be inferred. Only this kind of interpretation can give meaning and substance to the law's compassionate spirit as expressed in Article 4 of the Labor Code – that all doubts in the implementation and interpretation of the provisions of the Labor Code, including their implementing rules and regulations, should be resolved in favor of labor.[25]

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21 *Scanmar Maritime Services, Inc. v. De Leon*, 804 Phil. 279, 284-285 (2017).
22 See *Malicdem v. Asia Bulk Transport Phils., Inc.*, G.R. No. 224753, June 19, 2019.
23 See *Dizon v. Naess Shipping Philippines, Inc.*, 786 Phil. 90, 99 (2016).
24 623 Phil. 690 (2009).
25 *Id.* at 704.

Thus, in ***Magat v. Interorient Maritime Enterprises, Inc.***,[26] we stressed that –

> [T]he absence of a medical assessment issued by the company physician within three days from the arrival of petitioner would result only in the forfeiture of his sickness allowance and nothing more. In fact, the law that requires the 3-day mandatory period recognizes the right of a seafarer to seek a second medical opinion and the prerogative to consult a physician of his choice. Therefore, the provision should not be construed that it is only the company-designated physician who could assess the condition and declare the disability of seamen. The provision does not serve as a limitation but rather a guarantee of protection to overseas workers.[27]

However, the three-day period as a balancing test does not mean an anarchic and willy-nilly disregard of this provision. The Court has established precedents that ought to guide the determination of its proper application.

To illustrate, in ***Wallem Maritime Services, Inc. v. National Labor Relations Commission***,[28] the Court dispensed with the mandatory reporting because the seafarer was terminally ill and in urgent need of medical attention. Too, in ***Status Maritime Corp. v. Spouses Delalamon***,[29] the Court applied ***Wallem*** and further found his employer sufficiently notified of the medical condition as it was presumed that copy of the diagnostic treatment while abroad was furnished his employer, thus:

> We applied the exemption in *Wallem Maritime Services, Inc. v. NLRC* and excused the failure of the seafarer to report within the three-day period for the reason that when he disembarked from the vessel, he was terminally ill and in need of urgent medical attention. His employer manning agency was also found sufficiently notified when his wife went to the office a month later to inquire about his husband's sickness benefits.
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> The very same circumstances exist in the present factual setting. When Margarito was repatriated on September 6, 2006 he was already suffering from *"Renal Insufficiency: Diabetes Mellitus; IHD Blood+CBC+ Anemia"*. Less than a week thereafter, he was confined at the Las Piñas Doctor's Hospital for the same ailment of renal insufficiency but this time aggravated by coronary artery disease. He started undergoing hemodialysis treatments in December when his ailment worsened to end stage renal disease due to a cyst at the right renal cortical. He became bedridden thereafter until he passed away on September 11, 2007.
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> **The medical episodes that transpired after his disembarkation from the vessel show that he was already in a deteriorating physical condition when he arrived in the Philippines. Thus, it cannot be reasonably expected of him to prioritize the errand of personally reporting to the petitioners' offiee instead of yielding to the physical strain caused by his serious health problems.**

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26 829 Phil. 570 (2018).
27 *Id.* at 584-585.
28 376 Phil. 738 (1999).
29 740 Phil. 175, 191-192 (2014).

> **The petitioners were likewise put on sufficient notice about the failing health condition of Margarito because they knew very well that he was diagnosed with a serious illness in UAE. Notwithstanding the fact that Priscila's claim of notice to petitioners through a certain Allan Lopez was unsubstantiated by any documentary or other corroborative evidence, the petitioners were nonetheless aware that Margarito was seriously ill as they are presumed furnished with a copy of the diagnosis made on Margarito in UAE.** (Emphasis supplied.)

Applying these illustrative precedents to the case at bar, we find that the attendant circumstances are similar to ***Wallem*** and ***Status***. When he arrived in the Philippines, petitioner was already ill and no longer in good physical condition to go back to Manila for treatment. Immediately, petitioner was subjected to series of laboratory tests to properly diagnose his ailment. As in ***Status***, petitioner's primary concern was his health rather than physically strain himself just to report to Grieg PH.

Also like in ***Status***, notice to petitioner's employers would already be redundant for they were already aware of his medical condition prior to his repatriation. Indeed, his spouse even phoned his employer to inform it repeatedly about his ill condition. While Grieg PH insisted that petitioner was sent home because his contract has ended, it failed to present any evidence that it was unaware that petitioner had been initially treated in Japan for UTI and chronic prostatitis prior to his repatriation. The ship captain even issued the certificate stating that petitioner needed to have a follow-up check-up based on the doctor's initial assessment on his condition.

In fine, petitioner had already established his substantial compliance with the first requirement of disability claim. He was excused from the reporting requirement for he was physically incapacitated to personally report.

Petitioner's illness existed during the term of his employment and his work conditions aggravated it.

Section 20(A)(4) of the 2010 POEA-SEC creates a disputable presumption that illnesses not listed as an occupational disease in Section 32 are work-related. However, this disputable presumption does not signify an automatic grant of compensation and/or benefits claim.[30] Claimants for disability benefits must first discharge the burden of proving, with substantial evidence, that their ailment was acquired during the term of their contract. They must show that they experienced health problems while at sea, the circumstances under which they developed the illness, as well as the symptoms associated with it.[31]

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30 *Malicdem v. Asia Bulk Transport Phils., Inc.*, supra note 22.

31 *Scanmar Maritime Services, Inc. v. De Leon*, supra note 21, at 286.

Petitioner's medical condition before and after repatriation did not change. The continued medical treatment in Bataan, then later at the NKTI finally confirmed that petitioner has kidney ailment. The blood in the urine was a common symptom[32] of UTI, Chronic Prostatitis and renal cell carcinoma which petitioner was persistently complaining to his doctors in Japan and in Bataan. From this symptom, his doctors conducted series of tests to rule out other ailments until they finally discovered the mass in his kidney which was already malignant and was later immediately surgically removed. Hence, the purpose of the company-designated physician's examination to determine whether the illness was acquired during the term of petitioner's contract was also achieved by the accredited doctors of the Grieg PH's issued health card.

The treatment by the health card-accredited doctors served the equivalent post-employment medical examination to show that petitioner's illness existed during his employment. It is undisputed that petitioner had been with Grieg PH since 2006. Petitioner's illness – renal cell carcinoma – could not have occurred overnight after repatriation. Studies suggest that early kidney cancer usually has no symptoms. By the time the symptoms are obvious, the cancer is usually in the late stage.[33] Like in the case of petitioner, his kidney cancer gradually progressed while he was employed with Grieg PH until it manifested when petitioner complained of pain in urinating and discharging blood in his urine. Hence, at any time during his 8-year employment with Grieg PH, petitioner was already suffering from this illness while at sea.

Petitioner had likewise proved that his working conditions aggravated his kidney ailment. As found by the arbitrators, petitioner had sufficiently established that his working conditions on board the vessel increased the risk of contracting the kidney disease. Grieg PH failed to dispute this and did not even offer any controverting evidence. Thus, we adopt the findings of the arbitrators that petitioner's illness was due to his work, *viz.*:

> Complainant's arduous nature of job entails strenuous physical activities or hard manual labor for an extended period of time such as: sounding of tanks; assisting in all maintenance works; lifting of heavy loads; cleaning of incinerators, septic tanks, and engine room using strong cleaning solutions; checking the engine temperature daily, refilling of tanks of oil and lubricants; monitoring all running motors and machineries. It was physically and mentally demanding especially during monitoring all motors, engine, equipment, and condition of the vessel. He was directly exposed to all forms of toxic fumes such as asbestos and gases, and excessive noise inside the engine room. His dietary provision on board the vessel "*consisted mainly of high-fat, high-cholesterol, low-fiber foods, salt-cured fish, and preserved meat can*["]. His continuous job precludes urination. It likewise remains undisputed that given his 8 years of employment with respondents

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[32] Blood in urine (*hematuria*). (2020, October 15). Retrieved April 13, 2021, from https://www.mayoclinic.org/diseases-conditions/blood-in-urine/symptoms-causes/syc-20353432.

[33] Kidney cancer. (n.d.). Retrieved April 13, 2021, from https://www.gleneagles.com.sg/facilities-services/centre-excellence/cancer-care/kidney-cancer.

> and the *conditions he was subjected to as a seafarer*, complainant's illness can be *attributed to his work.*[34]

The Court has held that a person who claims entitlement to the benefits provided by law must establish his right thereto by substantial evidence or "such relevant evidence as a reasonable mind might accept as adequate to support a conclusion."[35] Clearly, petitioner was able to establish by substantial evidence that his illness was compensable as it is work-connected and he suffered from it during the term of his contract, especially so when Grieg PH failed to adduce any evidence to refute his allegations.

The Court of Appeals therefore erred when it held that petitioner's doctors had not thoroughly evaluated his medical condition since they had relied only upon medical tests and procedures done on him several months earlier. This is a factual conclusion that is unsupported by the evidence. It is pure and simple speculation.

Further, the appellate court should have been mindful of its proper role in evaluating evidence on a petition for review from a quasi-judicial body. As indicated by the standard of proof that only substantial evidence is required to prove a fact before a quasi-judicial body, the test for reviewing factual issues is reasonableness.

The question to be asked: is the fact arrived at by the quasi-judicial body supported by the evidence viewed in their totality? If the evidence is direct proof of the fact in question, the Court of Appeals must affirm. If the evidence is circumstantial proof of the fact in question, so long as the inference made flows from an appreciation of the evidence, though this inference is not the more likely inference much less the only inference that may be derived from the evidence, the Court of Appeals must still affirm.

Here, the pieces of evidence presented offer direct proof of the existence of petitioner's illness during his tenure as a seafarer and its probable connection to his working conditions. Hence, it should have been inevitable for the Court of Appeals to have simply affirmed these factual findings of the PVA.

Petitioner is entitled to attorney's fees and 6% legal interest rate on the judgment award.

We affirm the arbitrators' award of attorney's fees. Considering that petitioner was forced to litigate and incur expenses to protect his right and interest, he is entitled to an attorney's fees of ten percent (10%) of the monetary award pursuant to Article 2208(8) of the New Civil Code.

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[34] *Rollo*, pp. 404-405.

[35] See *Philippine Transmarine Carriers, Inc., et al. v. Aligway*, 769 Phil. 792, 802 (2015).

Too, consistent with ***Nacar v. Gallery Frames***,[36] the Court deems it proper to impose interest on the total monetary award at the legal interest rate of six percent (6%) from finality of this Decision until fully paid.

ACCORDINGLY, the Decision dated September 13, 2019 and Resolution dated March 10, 2020 of the Court of Appeals in CA-G.R. SP No. 145678 are **REVERSED and SET ASIDE. The DECISION dated March 5, 2016 of the PANEL OF VOLUNTARY ARBITRATORS is REINSTATED with MODIFICATION.**

Grieg Philippines, Inc., Grieg Star AS (formerly Grieg Shipping AS), and Ernesto C. Mercado are **ORDERED** to pay Celso B. Caraan the following:

1. Disability benefits in the amount of US$90,000.00;

2. Attorney's fees of ten percent (10%) of the monetary award; and

3. Legal interest rate of six percent (6%) of the total judgment award from finality of this Decision until fully paid.

SO ORDERED.

AMY C. LAZARO-JAVIER
Associate Justice

WE CONCUR:

ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

MARIO V. LOPEZ
Associate Justice

RICARDO R. ROSARIO
Associate Justice

[36] 716 Phil. 267, 283 (2013).

JHOSEP Y. LOPEZ
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision has 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 VII 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