Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

UNITRA MARITIME MANILA, INC., VT MARITIME INC., AND/OR CAPT. VICTOR M. VILLANUEVA,
Petitioners,

- *versus* -

GIOVANNIE B. CAMPANERO,
Respondent.

G.R. No. 238545

Present:

LEONEN, *J.*, *Chairperson*,
LAZARO-JAVIER,
LOPEZ, M.,
LOPEZ, J., and
KHO, JR., *JJ.*

Promulgated:

SEP 07 2022

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DECISION

LOPEZ, J., *J.*:

This Court resolves the Petition for Review on *Certiorari*[1] seeking to reverse the following dispositions of the Court of Appeals (*CA*) in CA-G.R. SP No. 147288:

a. Decision[2] dated September 18, 2017 reversing the decision of the National Labor Relations Commission (*NLRC*) and declaring Giovannie Campanero entitled to permanent and total disability; and

b. Resolution[3] dated March 26, 2018 denying the Motion for Reconsideration filed by Unitra Maritime Manila, Inc., (*Unitra*) VT

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1 *Rollo*, pp. 29-64.

2 Penned by Associate Justice Stephen C. Cruz, with Associate Justices Rosmari D. Carandang (retired member of this Court) and Nina G. Antonio-Valenzuela, concurring; id. at 66-77.

3 Id. at 79-80.

Maritime Inc., (*VT Maritime*) and/or Capt. Victor M. Villanueva (*Villanueva*).

The Antecedents

On April 22, 2014, Unitra hired Campanero as Second (*2nd*) Officer for its foreign principal, VT Maritime. The contract was consistent with the provisions of the POEA-Standard Employment Contract (*POEA-SEC*) and All Japan Seaman's Union Collective Bargaining Agreement (*CBA*). On May 29, 2014, Campanero departed from the Philippines and boarded the vessel, M/V Mount Akaboshi.[4]

A month after the vessel left the shores of Manila, Campanero suddenly felt weakness on his lower extremities while lifting heavy provisions. The following day, he began experiencing sharp pains on his lower back with numbness on his right leg. His condition, however, did not stop him from doing the rounds of work. When his condition kept on, Campanero requested for an on-shore medical assessment in Japan, during which time, he was diagnosed with disc hernia and was immediately repatriated. Upon arrival, he was immediately referred to the company designated physicians at Manila Doctors Hospital (*MDH*). While undergoing medical procedures, Campanero's condition further deteriorated such that he could no longer stand by himself. Accordingly, Campanero went through a Magnetic Resonance Imaging (*MRI*) where he was found to have arteriovenous malformation, ruptured intramedullary with difficulty in bowel movement.[5]

Subsequently, Campanero underwent surgery. After his discharge, he was scheduled for rehabilitation treatment for his lumbar spine injury until April 2015 when Unitra withheld further medical aid. No disability grading was ever issued by the company-designated physician after the lapse of 240 days.[6]

Given his condition, Campanero sought an independent physician, Dr. Francis Pimentel (*Dr. Pimentel*), a Specialist in Physical Medicine, who found that he was suffering from the following:

1. positive paraplegia on the lower extremities graded as 1-2/5 in manual muscle testing;
2. positive 90 percent sensory deficits in the lower extremities; and
3. positive bowel and bladder incontinence.[7]

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4 Id. at 67.
5 Id.
6 Id. at 67-68.
7 Id. at 68.

In the Medical Report[8] dated August 3, 2015 issued by Dr. Pimentel, he pointed out that Campanero's illness was caused by his working conditions and that he still suffered from sensory motor problems even after his rehabilitation therapy with the MDH. The pertinent portion of the Medical Report reads:

> Based on the MRC tests, the patient has spinal cord pathology. Upon confirmation of the spinal cord pathology with the biopsy test done at Manila Doctors Hospital, the result revealed arteriovenous malformation with recent and old hemorrhage. On the discharge summary issued by Manila Doctors Hospital[,] it states that the discharge diagnosis as Arteriovenous malformation; ruptured intramedullary s/p laminectomy T3, T4, T5, excision of arteriovenous malformation. To summarize the test results and intraoperative findings, the patient has a diagnosis of complete spinal cord injury secondary to a ruptured arteriovenous malformation.
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> The bending and lifting activities that the patient engaged in during the lashing operations has brought about the arteriovenous malformation to rupture and cause [hemorrhages]. These led to the spinal cord injury of the patient manifesting as paraplegia with severe weakness and numbness in both lower extremities with absent bowel and bladder control. Although surgery was attempted to address the spinal cord injury, the attempt was unsuccessful. Even if the patient had regular physical therapy sessions after the spine surgery until August of 2015[,] no improvement in motor and sensory recovery were obtained. At present, the patient cannot stand on his own and could not walk without assistance; he also has no control with (*sic*) his bowel movements and has urinary incontinence. With his present medical condition[,] he is unfit for work with permanent disability.[9]

Campanero also consulted Dr. Rogelio Catapang, Jr. (*Dr. Catapang*), an orthopedic surgeon, who outlined the nature of his condition and concurred with the findings and recommendations of Dr. Pimentel.[10] Noting Campanero's heavy work demands, Dr. Catapang opined that Campanero's spinal arteriovenous malformation was a rare abnormal tangle of blood vessels on, or near the spinal cord and if left untreated, the spinal arteriovenous malformation could permanently damage the spinal cord.

Accordingly, Campanero sought assistance from Unitra and VT Maritime but his plea fell on deaf ears, forcing him to litigate.[11]

After due proceedings, the Labor Arbiter (*LA*) issued a Decision dated March 21, 2016, the decretal portion of which reads:

> "**WHEREFORE**, premises considered, respondents Unitra Maritime Manila, Inc. and VT Maritime, Inc. are hereby ordered, jointly and solidarily, to pay complainant Giovanni B. Campanero permanent and total disability

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8 CA *rollo*, pp. 141-144.

9 Id. at 143-144.

10 Medical Report dated November 9, 2015; id. at 145-147.

11 Complaint dated September 9, 2015; id. at 216-217.

compensation in the amount of USD127,932.00 or its equivalent in Philippine Currency at the time of payment.

Respondents are further ordered to pay complainant his sickness allowance in the amount of USD4,181.67 or its equivalent in Philippine Currency at the time of payment.

Finally, respondents are assessed attorney's fees equivalent to ten percent of the total award or the amount of USD13,211.36 or its equivalent in Philippine Currency at the time of payment.

All other claims are denied.

The complaint against individual respondent Capt. Victor M. Villanueva is dismissed with prejudice.

SO ORDERED."[12]

On appeal, the NLRC reversed the LA's disposition and declared that Campanero is not entitled to permanent total disability compensation. The NLRC noted that Campanero failed to obtain a second opinion from his doctors before lodging a labor complaint, which negates any cause of action against Unitra and VT Maritime. He also did not ask for the opinion of a third doctor, thereby making his complaint premature.

As regards Campanero's illness, the NLRC upheld the findings of the company designated physician that his illness was not work-related. The NLRC dismissed Campanero's claim that his work as 2nd Officer contributed to the development of his illness. While he insisted on lifting heavy objects on board the vessel, his job description as 2nd Officer contradicted the same. The dispositive portion of the May 31, 2016 Decision of the NLRC reads as follows:

"**WHEREFORE**, the Respondents' appeal is **GRANTED**. The assailed Decision dated March 21, 2016 of Labor Arbiter Fe S. Cellan is hereby **REVERSED and SET ASIDE**, and a new one is rendered **DISMISSING the complaint**.

SO ORDERED."[13]

Aggrieved by the setback, Campanero went to the CA *via* a Petition for *Certiorari*[14] claiming that the NLRC committed grave abuse of discretion in denying his disability claim.

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12 *Rollo*, p. 34.

13 Id.

14 CA *rollo*, pp. 3-49.

On September 18, 2017, the CA rendered its assailed Decision,[15] granting Campanero's Petition for *Certiorari* and setting aside the May 31, 2016 Decision and June 30, 2016 Resolution of the NLRC. The decretal portion of the aforesaid decision states:

> **WHEREFORE**, premises considered, the assailed Decision and Resolution of the National Labor Relations Commission dated [M]ay 31, 2016 and June 30, 2016 respectively, are **NULLIFIED** and **SET ASIDE**. Accordingly, the Decision of the Labor Arbiter dated March 21, 2016 is **REINSTATED**.
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> **SO ORDERED**.[16]

In reversing the NLRC's decision, the CA explained that the courts are not bound by the assessment of the company-designated physician and the seafarer is given the freedom of choosing his/her own medical specialist. In case of conflict, the determination of which diagnosis should prevail would primarily depend on the attendant facts and expertise of the physicians and the courts are not precluded from awarding disability benefits on the basis of the medical opinion of the seafarer's physician.[17] The CA added that while Campanero was found to be suffering from hematomyelia, a disorder which is commonly associated with spinal vascular malformations and often congenital, the said illness can also be traced to trauma or injury to the spinal cord. Considering that Campanero suffered spinal trauma after lifting heavy objects on board the vessel, there is a probable connection between his injury and his work. As opined by the CA, it is not a coincidence that Campanero's spinal trauma simply emerged at the same time (and spot) as the hemorrhaging of his spine.[18] As a result, the CA ordered the payment of Campanero's disability compensation. The CA subsequently denied Unitra and VT Maritime's Motion for Reconsideration.[19]

Unitra and VT Maritime now seek affirmative relief from this Court and pray that the CA dispositions be reversed and a new one be rendered reinstating the May 31, 2016 NLRC Decision.

Issues

Unitra and VT Maritime raise the following issues for Our resolution:

> The Honorable Court of Appeals gravely erred in holding petitioners liable for permanent and total disability benefits and other benefits for lack of factual and legal basis:

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15 *Rollo*, pp. 66-77.
16 Id. at 76.
17 Id.
18 Id. at 72.
19 Id. at 81-98.

> A. Respondent is not entitled to any benefits under the alleged CBA as his employment contract is not covered by a CBA. Even assuming[,] for argument's sake[,] that it is covered by the alleged CBA, the provisions thereof is inapplicable to the present case as it covers only disabilities resulting from accident;
>
> B. Respondent should have proven that his illnesses are work-related before any liability for disability compensation will arise; . . .
>
> C. Respondent failed to comply with the mandated conflict-resolution procedure of referral to a neutral third doctor. Such course of action is mandatory in nature and hence, respondent's failure to comply with the same results to the company-designated physician's findings as final and controlling.[20]

Simply put, the issues that need to be resolved are as follows:

> 1. Is Campanero entitled to total and permanent disability benefits?; and
> 2. Can he claim from the CBA?

Our Ruling

As a rule, a Petition for Review on *Certiorari* under Rule 45 is a mode of appeal where the issue is limited to questions of law. Factual findings of administrative or quasi-judicial bodies, including labor tribunals, are accorded much respect by this Court as they are specialized to rule on matters falling within their jurisdiction especially when these are supported by substantial evidence.[21]

However, in *Daniel G. Imperial v. People of the Philippines*,[22] a relaxation of this rule is made permissible by this Court in the following circumstances, *viz.*:

> (1) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) When the inference made is manifestly mistaken, absurd or impossible; (3) Where there is a grave abuse of discretion; (4) When the judgment is based on a misapprehension of facts; (5) When the findings of fact are conflicting; (6) When the CA, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) The findings of the CA are contrary to those of the trial court; (8) When the findings of fact are conclusions without citation of specific evidence on which they are based; (9) When the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by

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20 Id. at 35.

21 *Lamberto M. De Loen v. Maunlad Trans, Inc., et al.*, 805 Phil. 531, 538 (2017).

22 G.R. No. 230519, June 30, 2021.

> the respondents; and (10) The finding of fact of the CA is premised on the supposed absence of evidence and is contradicted by the evidence on record.[23]

Here, the findings of fact of the NLRC are in direct contrast with that of the LA and the CA, thus, this Court is compelled to delve into the factual dispute to finally put to rest the controversy now presented.

Entitlement of seafarers on overseas work to disability benefits is a matter governed, not only by medical findings, but by law and contract. The material statutory provisions are Articles 191 to 193 under Chapter VI (Disability Benefits) of the Labor Code, in relation with Rule X of the Rules and Regulations Implementing Book IV of the Labor Code. By contract, the POEA-SEC and the existing CBA bind the seafarer and his employer.[24]

For a seafarer's illness or injury to be compensable, the 2010 POEA-SEC provides that (a) the seafarer's illness or injury is work-related, and (b) the injury or illness occurred during the term of the employment contract.[25]

In *Castillon, et al. v. Magsaysay Mitsui OSK Marine, Inc., et al.*,[26] we expounded on the term work-relatedness of an illness or injury as requiring "reasonable linkage between the disease suffered by the employee and his work." The POEA-SEC defines "work-related illness" as "any sickness as a

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23 Id. (Citation omitted)

24 See *C.F. Sharp Crew Mgmt., Inc., et al., v. Castillo*, 809 Phil. 180, 189 (2017).

25 POEA Memorandum Circular No. 10 (2010), Sec. 20(B) provides:

A. COMPENSATION AND BENEFITS FOR INJURY OR ILLNESS

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

1. The employer shall continue to pay the seafarer his wages during the time he is on board the vessel.

2. If the injury or illness requires medical and/or dental treatment in a foreign port, the employer shall be liable for the full cost of such medical, serious dental, surgical and hospital treatment as well as board and lodging until the seafarer is declared fit to work or to be repatriated. However, if after repatriation, the seafarer still requires medical attention arising from said injury or illness, he shall be so provided at cost to the employer until such time he is declared fit or the degree of his disability has been established by the company-designated physician.

3. Upon sign-off from the vessel for medical treatment, the seafarer is entitled to sickness allowance equivalent to his basic wage until he is declared fit to work or the degree of permanent disability has been assessed by the company-designated physician but in no case shall this period exceed one hundred twenty (120) days.

For this purpose, the seafarer shall submit himself to a post-employment medical examination by a company-designated physician within three working days upon his return except when he is physically incapacitated to do so, in which case, a written notice to the agency within the same period is deemed as compliance. Failure of the seafarer to comply with the mandatory reporting requirement shall result in his forfeiture of the right to claim the above benefits.

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.

4. Those illnesses not listed in Section 32 of this Contract are disputably presumed as work-related.

5. Upon sign-off of the seafarer from the vessel for medical treatment, the employer shall bear the full cost of repatriation in the event the seafarer is declared (1) fit for repatriation; or (2) fit to work but the employer is unable to find employment for the seafarer on board his former vessel or another vessel of the employer despite earnest efforts.

26 G.R. No. 234711, March 2, 2020.

result of an occupational disease listed under Section 32-A of this Contract with the conditions set therein satisfied." In instances where the illness or disease does not fall under Section 32-A, Section 20(A)(4) states that a disputable presumption arises that the illness or disease is work-related.[27]

In the recent case of *Luisito Reyes v. Jebsens Maritime, Inc.*,[28] this Court explained that the legal presumption of work-relatedness was borne out from the fact that the said list cannot account for all known and unknown illnesses/diseases that may be associated with, caused or aggravated by such working conditions, and that the presumption is made in the law to signify that the non-inclusion in the list of occupational diseases does not translate to an absolute exclusion from disability benefits. Thus, the burden is on the employer to disprove the work-relatedness, failing which, the disputable presumption that a particular injury or illness that results in disability is work-related stands.

Further, jurisprudence has settled that in determining work-relatedness, it is not necessary that the nature of the seafarer's work is the sole cause of the illness.[29] In *Magsaysay Maritime Services v. Laurel*,[30] we said:

> x x x Settled is the rule that for illness to be compensable, it is not necessary that the nature of the employment be the sole and only reason for the illness suffered by the seafarer. It is sufficient that there is a reasonable linkage between the disease suffered by the employee and his work to lead a rational mind to conclude that his work may have contributed to the establishment or, at the very least, aggravation of any pre-existing condition he might have had.[31]

Be that as it may, the presumption of work-relatedness under Section 20 (A)(4) does not automatically amount to a presumption of compensability. Again, in *Castillon*, citing *Romana v. Magsaysay Maritime Corp.*,[32] We clarified that work-relatedness of an illness does not mean that the resulting disability is automatically compensable. The seafarer, while not needing to prove the work-relatedness of his/her illness, bears the burden of proving compliance with the conditions of compensability under Section 32(A) of the 2000 POEA-SEC. Failure to do so will result in the dismissal of his/her claim.

Indeed, when an illness or injury does not fall under Section 20(A)(4), it is disputably presumed that the illness is work-related. The seafarer does not initially bear the burden of proving the work-relatedness, and the burden of proof shifts to the employer.[33] The employer should either prove that the

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27 Id.
28 G.R. No. 230502, February 15, 2022.
29 Supra note 24, at 190.
30 707 Phil. 210 (2013)
31 Id. at 225. (Citation omitted)
32 816 Phil. 194 (2017)
33 Id. at 210.

illness was pre-existing, or if it was pre-existing, it should be proven that the conditions of his/her work did not contribute or aggravate the illness. If this was sufficiently proved by the employer, there is no need to resolve the question of compensability.[34]

In the event that the employer contests the illness' work-relatedness, the burden shifts to the seafarer to prove otherwise (i.e. the illness is not pre-existing, or even if it was pre-existing, the work contributed to or aggravated the illness). In doing so, the seafarer is also able to comply with the condition of compensability under Section 32-A, particularly: (1) that the seafarer's work must involve the risks described herein; (2) that the disease was contracted as a result of the seafarer's exposure to the described risks; and (3) that the disease was contracted within a period of exposure and under such other factors necessary to contract it.[35]

In determining the work causation of the seafarer's illness, the findings and declaration of the physicians who assessed the seafarer are equally important, because it is the basis of the seafarer's claim.[36] As laid out in Section 20(A)(3) of the POEA-SEC, the seafarer is required to submit himself to the post employment medical examination by a company-designated physician within three working days upon his/her return except when he/she is physically incapacitated to do so, in which case, a written notice to the agency within the same period is deemed as compliance. In the course of the treatment, the seafarer shall also report regularly to the company-designated physician specifically on the dates as prescribed by the company-designated physician and agreed to by the seafarer. Failure of the seafarer to comply with the mandatory reporting requirement shall result in his/her forfeiture of the right to claim the above benefits. The company-designated physician is obligated to arrive at a final and definite assessment of the seafarer's fitness or degree of disability within the period of 120 days from repatriation, subject of up to 240 days when further medical attention is necessary.[37] It bears emphasis that the medical assessment must be a final and categorical assessment in order to reflect the true extent of the sickness or injuries of the seafarer and his/her capacity to resume work. Any incomplete or doubtful medical assessments, even if issued by a company-designated physician, shall be disregarded by this Court.

As corollary, the seafarer may also consult a physician of his/her choice. The same law expressly provides that in case of disagreement or conflict between the findings of the company-designated physician and the seafarer's physician of choice, a third doctor may be jointly agreed upon by the parties. The findings of the third doctor shall be final and binding on both

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34 POEA Memorandum Circular No. 10 (2010), Sec. 20(B).

35 Id.

36 See *Licayan v. Seacrest Maritime Management, Inc., et al.*, 773 Phil. 648, 660 (2015).

37 See *Gamboa v. Maunlad Trans, Inc.*, 839 Phil. 153, 200 (2018).

employer and seafarer. Referral to a third doctor is mandatory, and the party who fails to abide thereby would be in breach of the POEA-SEC.[38]

In the present case, petitioners assert that respondent's illness is not compensable based on the company-designated physician's declaration that hematomyelia is not work-related and because it is not one of the occupational diseases listed under Section 32-A.

This Court is not convinced.

Records disclosed that respondent was able to show a reasonable connection between the nature of his work on board the vessel and the illness that befell him. As briefly discussed by the CA:

> x x x petitioner's final diagnosis is hematomyelia or spinal cord hematoma/hemorrhage. Medical journals refer to it as hemorrhage into the substance of the spinal cord. This disorder is commonly associated with spinal vascular malformations such as intradural arteriovenous malformations and intramedullary cavernomas, also known as cavernous malformation or angioma or cavernous hemagioma (as indicated in the same medical report). Cavernous angiomas are vascular lesions comprised of clusters of abnormally dilated blood vessels. It is often congenital (genetics) appearing mostly in people with Hispanic-American heritage but, in some cases, the angioma is traced to radiation, trauma[,] or other injury to the spinal cord.
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> In the present instance, it is not disputed that petitioner suffered spinal trauma while performing his job on board the vessel, which the attending physician himself diagnosed as disc bulge in agreement to petitioner's initial diagnosis in Japan (i.e, disc bulge is used interchangeably with disc hernia or herniated di[s]c). The term "disc bulge" is, in, fact, mentioned in the same line as hematomyelia and cavernous hemagioma in the physician's (sic) medical report. Thus, while the private respondents would later vehemently repudiate the connection, it is not denied that there exists a pathological relation between petitioner's herniated disc and the hemorrhaging of his spine. It is not a coincidence that the latter simply emerged at the same time (and the same spot) as the disc hernia. One is clearly consistent with the other.[39]

Meanwhile, the LA's ruling highlighted the possibility that respondent's working conditions aggravated his illness, *viz.*:

> It has not escaped the attention of this Arbitration Office that only the illness of hematomyelia was considered by the company-designated physician to be not work-related as can be gleaned from his medical report dated 26 August 2014. In their attempt to expand its coverage, the respondents reasoned out that complainant's hematomyelia resulted from its Arterovenous Malformation. This Office has reviewed all the medical

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38 See *Benhur Shipping Corp. v. Alex Peñaredonada Riego*, G. R. No. 229179, March 29, 2022.

39 *Rollo*, pp. 71-72.

> reports appended by the respondents to their Position paper and there is nothing stated in the said reports which would even suggest that complainant's hematomyelia was caused by or related to his arteriovenous malformation. Hematomyelia or Intramedullary Spinal Cord Hemorrhage can be caused by traumatic events such as spinal cord injury. Complainant's duties involved lifting of heavy objects during cargo operations subjected his back and spine to constant strain. This most likely caused the development of his illness. The company-designated physician's bare allegation that hematomyelia is not work-related without explanation to support this, cannot be given any evidentiary weight.
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> Anent complainant's arteriovenous malformation, the record is bereft of any proof that the same is not work-related. In fact, medical literature would claim that its cause is not yet known. Nonetheless, Section 20(A)(4) of the POEA Standard Employment Contract provides that illnesses not listed in Section 32 thereof like the complainant's arteriovenous malformation, are disput/*/*ably presumed as work-related. x x x Hence, unless contract evidence is presented by the seafarer's employer/s[,] this disputable presumption stands. In this controversy, the respondents never presented any contrary evidence to overcome the said presumption. It is for this reason that the same should be considered as work-related, hence, compensable.[40]

In several cases, this Court took judicial notice that seafarers are exposed to strenuous activities such as lifting and carrying heavy loads coupled with their long hours of work, which could aggravate seafarers' illness. While there could be other causes that may contribute to seafarers' illness or injury such as genetics and improper lifting positions, this Court has recognized that seafarers are saddled with gargantuan tasks, working only with limited number of staff, thus exposing them to a higher risk of physical strain.

Here, while it is true that respondent is a 2nd Officer, considered a Junior Officer of the vessel, he alleged, which was not specifically denied by petitioners, that he still assists in the cargo loading and in handling mooring stations. These tasks are manual labor requiring exertion of physical force; duties which strained his physique or aggravated a condition he might have had.

To reiterate, it is enough that the seafarer's employment contributed, even in a small degree, to the development of the disease.[41] Only reasonable proof of work connection is required, and not direct causation. In resolving compensability, this Court only looks for probability, not the ultimate degree of certainty.[42]

Neither is respondent's complaint for disability compensation rendered premature by his failure to refer the matter to a third doctor pursuant to Section

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40 CA *rollo*, pp. 276-277.

41 See *Alfredo Ani Corcoro, Jr. v. Magsaysay MOL Marine, Inc., et al.*, G.R. No. 226779, August 24, 2020.

42 *C.F. Sharp Crew Mgmt., Inc., et al., v. Castillo*, supra note 24, at 200.

20(A)(3) of the 2010 POEA-SEC. It bears stressing that a seafarer's compliance with the conflict resolution procedure under the said provision presupposes that the company-designated physician came up with an assessment as to his/her fitness or unfitness to work before the expiration of the 120-day treatment period or 240-day extended period.[43]

In the present case, while the company-designated physician, Dr. Nicomedes G. Cruz (*Dr. Cruz*), issued a Medical Report[44] dated August 26, 2014 or 11 days on treatment, stating that respondent's illness of hematomyelia is not work-related, the said report can only be regarded as interim assessment considering that Dr. Cruz subsequently recommended him to undergo surgery and physical therapy. The same holds true for the last Medical Report which Dr. Cruz issued on April 17, 2015 or 242 days on treatment, merely noting respondent's current medical status as follows:

> Report: 21st
>
> Patient was discharged today from the hospital.
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> Diagnosis:
>
> AV Malformation, T4
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> S/P Laminectomy, Excision of AV Malformation (December 7, 2014)[45]

Further, there was no definite statement of fitness to return to work or final disability rating given by Dr. Cruz. Observably, either medical assessments offered no explanation as to the cause of respondent's illness and the reason why it was considered not work-related.

The responsibility of the company-designated physician to arrive at a definite assessment within the prescribed periods necessitates that the perceived disability rating has been properly established and inscribed in a valid and timely medical report. To be conclusive and to give proper disability benefits to the seafarer, this assessment must be complete and definite; otherwise, the medical report shall be set aside and the disability grading contained therein shall be ignored. As case law holds, a final and definite disability assessment is necessary in order to truly reflect the true extent of the sickness or injuries of the seafarer and his/her capacity to resume work as such.[46]

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43 *Gamboa v. Maunlad Trans, Inc.*, supra note 37.

44 CA *rollo*, p. 206.

45 Id. at 213.

46 *Resty S. Caampued v. Next Wave Maritime Management, Inc., et al.*, G.R. No. 253756, May 12, 2021, citing *Magsaysay MOL Marine Inc., et al., v. Atraje*, 836 Phil. 1061, 1078 (2018).

Clearly, the failure of the company-designated physician to make a definite assessment on the condition of respondent within the timeframe provided by law cannot leave respondent in limbo. Hence, although respondent did consult an independent physician regarding his ailment, the lack of a conclusive and definite assessment from Dr. Cruz left him nothing to properly contest and as such, negates the need for him to comply with the third doctor referral provision under the 2010 POEA-SEC.[47] Accordingly, the law automatically stepped in to consider respondent's disability as total and permanent.[48]

With the declaration that respondent is totally and permanently disabled by operation of law, in view of the company-designated physician's failure to issue a final assessment within the given period, the other matter to be considered is the amount of benefits due him under the 2010 POEA-SEC or the CBA,[49] of which he is a member.

The applicable provisions of the CBA read:

> ARTICLE 11: Sick Pay
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> When a Seafarer signed off and landed at any port because of sickness or injury, his wages (basic wages, leave pay and compensatory leave for public holiday) shall continue until he has been repatriated at the Company's expense or has arrived at his home or place of his original engagement, whichever place is more convenient for the Seafarer. Thereafter he shall be entitled to sick pay at a rate equivalent to his basic wages while he remains sick or injured up to a maximum of one hundred and thirty (130) days. Proof of his continued entitled to sick pay shall be by submission of satisfactory medical certificates.[50]
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> x x x x
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> ARTICLE 15: Disability
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> Section 1 A Seafarer who suffers permanent disability as a result of an accident, regardless of fault but excluding injuries caused by a Seafarer's willful act, whilst in the employment of the Company, including accidents occurring while traveling to or from the Ship, and whose ability to work is reduced as a result thereof, shall in addition to sick pay, be entitled to compensation according to the provisions of the Agreement. The copy/ies of the medical certificate and other relevant medical reports shall be made available by the Company to the seafarer.

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47 *Resty S. Caampued v. Next Wave Maritime Management, Inc., et al.*, supra note 46, citing *Magsaysay MOL Marine Inc., et al., v. Atraje*, supra note 46 at 1082-1083.

48 *Resty S. Caampued v. Next Wave Maritime Management, Inc., et al.*, supra note 46, citing *Magsaysay MOL Marine Inc., et al., v. Atraje*, supra note 46 at 1084.

49 CA *rollo*, pp. 148-172.

50 Id. at 153.

Section 2 The disability suffered by the Seafarer shall be determined by a doctor appointed by the Company. If a doctor appointed by or on behalf of the seafarer disagrees wit the assessment, a third doctor may be nominated jointly between the Company and the Union and the decision of this doctor shall be final and binding on both parties.

x x x x

Section 4 A seafarer whose disability in accordance with Section 2 above at fifty percent (50%) or more under the attached APPENDIX 3 shall, for the purpose of this paragraph, be regarded as permanently unfit for further sea service in any capacity and be entitled to one hundred percent (100%) compensation.[51] x x x

x x x x

2014 year

Degree of Disability	Rate of Compensation		(US$)
%	Ratings AB & Below	Junior Officers & Ratings Above AB	Senior Officers (4)
100	95,949	127,932	159,914
75	71,962	95,949	119,936
60	57,569	76,769	95,949
50	47,974	63,966	79,957
40	38,379	51,173	63,966
30	28,785	38,379	47,974
20	19,190	25,586	31,983
10	9,595	12,793	15,991[52]

Based on the above-quoted provisions of the CBA, there are two instances when a seafarer may be entitled to full disability compensation, namely: (1) when the seafarer is declared to have suffered permanent disability; and (2) when the seafarer is assessed with a disability of at least 50%, he/she shall be regarded as permanently unfit for sea service in any capacity.

Here, since the company-designated physician failed to arrive at a final and definitive assessment of respondent's disability within the given periods, the law considered him to be totally and permanently disabled, which is classified as Grade 1[53] under the POEA-SEC. As such, its equivalent rate under the CBA is 100% rating, and the amount of compensation for respondent's position as 2nd Officer or 2nd Mate, which is for "Junior

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51 Id. at 155-157.

52 Id. at 156.

53 Section 32 of the POEA-SEC: Impediment Grade 1 is equivalent to 100% Impediment.

Officers"[54] for the year 2014, is in the amount of US$127,932.00, or its equivalent in Philippine Currency.

We are also constrained to affirm the LA and CA's grant of sickness allowance to respondent in the absence of evidence that the same has been paid by petitioners. The sickness allowance should be at the rate of US$965.00 per month for a period of 130 days pursuant to Article 11 of the CBA or a total amount of US$4,181.67, or its equivalent in Philippine Currency.

Further, respondent's claim being an action for employer's liability, he is also entitled to receive attorney's fees.

In addition, the monetary awards herein shall earn 6% interest per *annum* from the finality of this Decision until full payment pursuant to *Nacar v. Gallery Frames*.[55]

ACCORDINGLY, the petition is **DENIED**. The Decision dated September 18, 2017 and the Resolution dated March 26, 2018 of the Court of Appeals in CA-GR SP No. 147288 are hereby **AFFIRMED with MODIFICATION** entitling respondent **GIOVANNIE B. CAMPANERO** to receive solidarily from petitioners Unitra Maritime Manila, Inc. and VT Maritime Inc., the following:

1. Total and Permanent Disability benefit in the amount of US$127,932.00, or its equivalent in Philippine Currency;
2. Sickness Allowance in the amount of US$4,181.67, or its equivalent in Philippine Currency;
3. Attorney's fees equivalent to ten percent (10%) of the total monetary award; and
4. Legal interest of six percent (6%) per *annum* of total monetary award, computed from the date of finality of judgment until full satisfaction.

SO ORDERED.

JHOSEP Y. LOPEZ
Associate Justice

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54 CA *rollo*, p. 156.
55 716 Phil. 267 (2013).

WE CONCUR:

MARVIC M.V.F. LEONEN
Senior Associate Justice

AMY C. LAZARO-JAVIER
Associate Justice

MARIO V. LOPEZ
Associate Justice

ANTONIO T. KHO, JR.
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.

MARVIC M.V.F. LEONEN
Senior Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ALEXANDER G. GESMUNDO
Chief Justice