



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

NOTICE

Sirs/Mesdames

Please take notice that the Court, Third Division, issued a Resolution dated February 8, 2023, which reads as follows:

“G.R. No. 263575 (Magsaysay Maritime Corp. and/or Strada Maritime Corp. v. Rodrigo P. Macaraig). – Acting on the instant Petition for Review on *Certiorari*,¹ the Court resolves to deny the petition for failure to show that the Court of Appeals (CA) committed any reversible error in rendering the Decision² dated June 27, 2022 and the Resolution³ dated September 20, 2022 in CA-GR SP No. 166568. In the assailed issuances, the CA affirmed the Decision dated August 28, 2020 and the Resolution dated October 14, 2020 of the Voluntary Arbitrator (VA), granting herein seafarer Rodrigo P. Macaraig (respondent), permanent and total disability benefits.

It is a settled principle that findings of the labor tribunals, affirmed by the CA, are accorded with not only great weight and respect, but often times final and conclusive. Much respect is accorded by this Court as they are specialized to rule on matters falling within their jurisdiction especially when these are supported by substantial evidence.⁴

We find that herein respondent is entitled to disability benefits. Disability benefits are granted to an employee who sustains an injury or contracts a sickness resulting in temporary total, permanent total, or permanent partial, disability.⁵ Total permanent disability means the disablement of an employee to earn wages in the same kind of work that he was trained for, or accustomed to perform, or any kind of work, which a person of his mentality and attainments could do. It does not mean absolute helplessness.⁶

¹ *Rollo*, pp. 41-66.

² *Id.* at 76-96. Penned by Associate Justice Fernanda Lampas-Peralta, with Associate Justices Raymond Reynold R. Lauigan and Michael P. Ong, concurring.

³ *Id.* at 120-121.

⁴ *Eagle Clark Shipping Phils., Inc. v. NLRC*, G.R. No. 245370, July 13, 2020.

⁵ *Valeriano v. Employees' Compensation Commission*, 388 Phil. 1115, 1121 (2000).

⁶ *Philippine Transmarine Carriers, Inc., and/or Marin Shipmanagement Limited v. Manzano*, G.R. No. 210329, March 18, 2021.

In the case at bar, there was a clear declaration that respondent's disability was permanent and total. The assessments made by all the doctors consulted, which in fact includes the company-designated physician, are consistent that respondent incurred a permanent mental disability, which makes him unfit for sea duty.

We do not subscribe to Magsaysay Maritime Corp. and/or Strada Maritime Corp.'s (petitioners) claim that the court disregarded the disability assessment made by the company-designated physician, who assessed respondent's disability as a Grade 6 disability. If at all, this has been one of the bases of giving respondent a permanent and total disability assessment. It must be noted that although a company-designated physician's assessment enjoys the presumption of regularity and credibility as he or she is the one privy to the treatment undergone by respondent, his or her findings do not mean to be conclusive and absolute. Company-designated physicians are the ones entrusted with the task of assessing the seaman's disability, whether total or partial, due to either injury or illness, during the term of the latter's employment. However, the same does not mean that the assessment of said physician is final, binding, or conclusive on the claimant, the labor tribunal or the courts.⁷ Its inherent merits would still be weighed and duly considered.⁸

While it is true that the company-designated physician made a declaration of respondent's disability within the period provided by the rules, the evidence still showed that the company-designated physician declared respondent's disability to be a permanent one. Thus, the period provided would no longer matter as respondent was already declared to be totally incapacitated to perform the work that he was trained or accustomed to. It must be noted that, in disability compensation, it is not the injury, which is compensated; rather it is the incapacity to work resulting in the impairment of one's earning capacity.⁹

The claims of petitioners that the VA has no jurisdiction to hear the case and the absence of the complete text of the Collective Bargaining Agreement (CBA) deserve scant consideration. These issues have been resolved by the CA. As discussed, the Contract of Employment and the Employment Agreement of respondent showed that his employment with petitioners was covered by the Norwegian Seaman's Union Collective Bargaining Agreement. The seafarers' employment is governed by the contracts they signed at the time of engagement. As long as the stipulations therein are not contrary to law, morals, public order, or public policy, they have the force of law between the parties. Nonetheless, while the seafarer and his employer are governed by their mutual agreement, the Philippine Overseas Employment Administration (POEA) Rules and Regulations require that the POEA-Standard Employment

⁷ *Jebsens Maritime, Inc. and/or Alliance Marine Services, Ltd. v. Undag*, 678 Phil. 938, 951 (2011).

⁸ *C.F. Sharp Crew Management v. Jaicten*, G.R. No. 208981, February 1, 2021.

⁹ *Belchem Phils., Inc./United Philippine Lines v. Zafra, Jr.*, 759 Phil. 514, 525 (2015).

Contract (POEA-SEC) be integrated in every seafarer's contract.¹⁰ Section 29 of the 2010 POEA-SEC provides that:

SECTION 29. DISPUTE SETTLEMENT PROCEDURES

In cases of claims and disputes arising from this employment, the parties covered by a collective bargaining agreement shall submit the claim or dispute to the original and exclusive jurisdiction of the voluntary arbitrator or panel of voluntary arbitrators. If the parties are not covered by a collective bargaining agreement, the parties may at their option submit the claim or dispute to either the original and exclusive jurisdiction of the National Labor Relations Commissions (NLRC), pursuant to Republic Act (RA) 8042 otherwise known as the Migrant Workers and Overseas Filipino Act of 1995, as amended, or to the original and exclusive jurisdiction of the voluntary arbitrator or to the panel of voluntary arbitrators to be appointed by the parties, the same shall be appointed from the accredited voluntary arbitrators of the National Conciliation and Mediation Board of the Department of Labor and Employment.

x x x x

The existence of the CBA was already substantiated by its incorporation in the employment contract of respondent. Thus, applying the aforesaid rule, the jurisdiction of the VA and the disability coverage of respondent was clearly established.

The Court also agrees with the ruling of the VA that respondent is entitled to attorney's fees following Article 2208 of the New Civil Code of the Philippines, which allows its recovery in actions for recovery of wages of laborers and actions for indemnity under the employer's liability laws. Since respondent was not able to claim from petitioners his rightful entitlement, he was forced to litigate in order to protect his rights and interests. Pursuant to prevailing jurisprudence, respondent is entitled to attorney's fees of ten percent (10%) of the monetary award.¹¹

Based on the foregoing, We find no reason to deviate from the ruling of the CA. There was sufficient evidence that respondent is entitled to a total and permanent disability for the illness he suffered while on board the vessel of petitioners. However, in view of the prevailing jurisprudence, the Court deems it proper to impose legal interest at the rate of six percent (6%) *per annum* on the total monetary awards from the finality of this Resolution until full payment.¹²

WHEREFORE, in view of the foregoing, the present petition is hereby **DENIED** for lack of merit. The Decision dated June 27, 2022 and the Resolution dated September 20, 2022 of the Court of the Appeals are **AFFIRMED with MODIFICATION** in that legal interest at the rate of six

¹⁰ *Calera v. Hoegh Fleet Services Phils., Inc.*, G.R. No. 250584, June 14, 2021.

¹¹ *Nazareno v. Maersk Filipinas Crewing, Inc.*, 704 Phil. 625, 639 (2014).

¹² *Lara's Gift & Decors, Inc. v. Midtown Industrial Sales, Inc.*, G.R. No. 225433, August 28, 2019.

percent (6%) *per annum* is hereby imposed on the total monetary awards from the finality of this Resolution until full payment.

SO ORDERED.”

By authority of the Court:

Misael Domingo C. Battung III
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