

Title: B.F. Goodrich Philippines, Inc. vs. Workmen's Compensation Commission & Leandro M. Castro

Facts:

Leandro M. Castro, an employee of B.F. Goodrich Philippines, Inc., suffered from pulmonary tuberculosis which he claimed to have contracted in the course of his employment, resulting in his disability from March 18, 1968, onwards. He filed a claim for disability benefits under the Workmen's Compensation Act, amended by Republic Act No. 4119, on April 19, 1968.

Through a procedural journey that spanned multiple filings and decisions, the case escalated from the Workmen's Compensation Section to the Workmen's Compensation Commission. Notably:

1. **Initial Claim**: Castro filed his initial claim, leading to a stipulation with B.F. Goodrich acknowledging receipt of full workmen's compensation.
2. **Second Claim**: Upon filing another claim for the same illness, it was dismissed on the grounds of res judicata.
3. **Third Claim**: Castro's third claim resulted in an award from the Department of Labor, which B.F. Goodrich appealed. The appeal was dismissed due to procedural missteps, specifically, the appeal should have been filed with the Workmen's Compensation Unit, Regional Office No. 4, Department of Labor. This appeal's dismissal was upheld by the Workmen's Compensation Commission.

Issues:

1. Whether the principle of res judicata applies to workmen's compensation cases.
2. Whether the Workmen's Compensation Section's award was rendered without jurisdiction, with grave abuse of discretion, and without due process.

Court's Decision:

The Supreme Court dismissed the petition, highlighting that:

1. **Res Judicata Applicability**: The previous judgments involved did not prohibit revisiting the issue, especially since the initial resolution was based on a prohibited null and void contract. This negates the applicability of res judicata.
2. **Right to Formal Hearing**: The Court found B.F. Goodrich's contention on the denial of a formal hearing untenable. It pointed out that when an award from the Commission

becomes final and executory, it's too late to contest procedural issues like denial of hearing or notice.

Doctrine:

The case reiterates the doctrine that any contract, regulation, or scheme attempting to exempt an employer from liability under the Workmen's Compensation Act is null and void. The law safeguards employees' rights and dictates that agreements involving compensation must at least match the provisions of the Act and be approved by the proper authority.

Class Notes:

- **Res Judicata in Administrative Proceedings**: The doctrine of res judicata, which prevents the same issue from being litigated again, applies not just to judicial decisions but also to quasi-judicial and administrative decisions, provided the original decision was final, with proper jurisdiction over the matter and parties, and was a judgment on the merits.
- **Prohibited Contracts Under Workmen's Compensation Act**: Any agreement attempting to circumvent the provisions of the Workmen's Compensation Act, specifically Sections 7 and 29, is invalid and cannot be upheld, reflecting the principle of protecting workers' rights above contractual arrangements that undermine statutory protections.
- **Finality of Administrative Awards**: Once an administrative award becomes final due to lapse of the period for appeal or due to a procedural error in filing the appeal, the merits of the case cannot be revisited in judicial proceedings.

Historical Background:

The case highlights the evolution of workers' compensation laws in the Philippines and emphasizes the judiciary's role in ensuring that these laws serve their purpose of protecting employees' rights. It underscores the importance of procedural correctness in appeals and the judiciary's discretion in reviewing administrative decisions, ultimately placing the welfare and rights of workers at the forefront of legal consideration.