

### Title:

Jose B. Atienza vs. Philimare Shipping and Equipment Supply, Trans Ocean Liner (Pte.) Ltd., Philippine Overseas Employment Administration, and National Labor Relations Commission (G.R. No. 69132)

### Facts:

- **January 3, 1981**: Jose B. Atienza signed a Crew Agreement with Philimare Shipping and Equipment Supply, acting as agents for Trans Ocean Liner Pte. Ltd. of Germany. He was hired to work as Third Mate on the MV Tibati for a monthly salary of US\$850.00. The agreement included insurance benefits as per the NSB Standard Format.
- **January 14, 1981**: The Crew Agreement was validated and approved by the National Seamen Board.
- **May 12, 1981**: Atienza died due to an accident while working on the vessel in Bombay, India.
- **Subsequent to Death**: Atienza's father filed a claim for death benefits, calculated at thirty-six months of Atienza's salary plus ten percent, totaling \$30,600.00, based on Singaporean Workmen's Compensation Law.
- **November 6, 1984**: The Philippine Overseas Employment Administration (POEA) decided that Philippine law applied and held the liability to be P40,000.00 under the NSB Standard Format.
- **Appeal to NLRC**: The National Labor Relations Commission (NLRC) affirmed the POEA's decision but increased the award to P75,000.00 under NSB Memorandum Circular No. 71, Series of 1981.
- **Petition to Supreme Court**: Atienza's father petitioned the Supreme Court for a reversal, arguing that Singaporean law should apply, as it provided for greater benefits. Private respondents contended that the NSB Memorandum Circular No. 71 should not apply as it came into effect after Atienza's death.

### Issues:

1. **Which law should apply for calculating death benefits - Singaporean law or Philippine law?**
2. **Was it proper for the NLRC to apply NSB Memorandum Circular No. 71 retrospectively to increase the death benefits?**

### Court's Decision:

#### **Legal Issue 1: Applicable Law for Death Benefits**

- **Resolution**: The Supreme Court held that the applicable law for calculating death

benefits was the Philippine law, as explicitly stipulated in the Crew Agreement. The NSB Standard Format governed insurance benefits without any provision for the application of the higher benefits offered by either the Philippine law or foreign law.

- **Analysis**: The decision relied upon the precedent set by *Bagong Filipinas Overseas Corporation v. NLRC*, distinguishing it from the *Norse Management Co.* case where the Crew Agreement specifically stipulated the higher of either the Philippine or the foreign law benefits.

#### ### **Legal Issue 2: Application of NSB Memorandum Circular No. 71**

- **Resolution**: The Supreme Court ruled that NSB Memorandum Circular No. 71, Series of 1981, could not be applied retrospectively as it became effective only in December 1981, after Atienza's death on May 12, 1981.

- **Analysis**: The Court reiterated that the prevailing law at the time of Atienza's death was NSB Memorandum Circular No. 46, in force since 1979, thus setting the death benefit at P40,000.00. Applying a subsequent law retroactively would be unjust and unsupported by the principle of prospective application.

#### ### **Doctrine:**

- **Doctrine of Contract Stipulation**: Employment agreements explicitly stipulate applicable law. If there is an explicit stipulation, such as in the *Norse Management* case, the higher benefits apply; without such a stipulation, the standard benefits as per the contract apply.

- **Doctrine Against Retroactive Application of Laws**: New regulations or amendments to existing laws cannot apply retroactively unless clearly stated by the law. The applicable law at the time of the event governs the case.

#### ### **Class Notes:**

1. **Applicable Law**: Explicit contractual stipulations dictate applicable law for claims.
2. **Non-retroactivity**: Laws cannot retrospectively change liabilities unless explicitly stated.

#### **Relevant Statute**:

- **NSB Standard Format**: Governing insurance benefits for seamen
- **Memorandum Circulars**: NSB Memorandum Circular No. 46 (1979) and Circular No. 71 (1981)

#### ### **Historical Background:**

- **Philippine Overseas Employment**: Reflects the broader context of employment laws governing overseas Filipino workers and complexities in applying international law in the absence of clear contractual terms.
- **International Seafaring Norms**: Highlights international maritime employment contracts governed by multi-jurisdictional laws and regulations, illustrating legal challenges in ensuring appropriate benefits for international labor.