

Title: Phil-Man Marine Agency, Inc. and Dohle (IOM) Limited vs. Dedace, et al.
(A Review of Philippine Supreme Court Decision on Seafarer's Disability Benefits)

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Facts:

1. **Contract Engagement and Duties:**

- On June 18, 2003, Phil-Man Marine Agency engaged Aniano P. Dedace, Jr. to work as an Able Seaman on M/V APL Shanghai for Dohle (IOM) Limited.
- Contract terms: 9 months duration, USD 465 monthly salary, USD 2.79/hr overtime, USD 78/month vacation leave.

2. **Illness Onset and Initial Medical Consultation:**

- January 2004: Dedace experienced pain in his lower abdomen and groin.
- February 20, 2004: Admitted to Gleneagles Maritime Medical Centre in Singapore, initially diagnosed with suspected liver haemangiomas and right kidney cyst.
- Further tests revealed Disseminated Sepsis with Multiple Liver Abscesses.

3. **Repatriation and Continued Medical Evaluations:**

- March 1, 2004: Dedace was repatriated to the Philippines and referred to Dr. Nicomedes G. Cruz.
- March 27, 2004: MRI by Dr. Cesar S. Co showed liver lesions and a right kidney lesion.
- May 20, 2004: Dr. Cruz concluded that Dedace's illness was not work-related based on their gastroenterologist's opinion.

4. **Denial of Compensation and Filing of the Claim:**

- June 7, 2004: Phil-Man informed Dedace that his illness was non-compensable and stopped payments.
- Dedace filed for permanent and total disability benefits with the National Labor Relations Commission (NLRC).

5. **Procedural Journey:**

- October 12, 2005: Labor Arbiter (LA) denied total disability benefits but awarded 30 days' sickness allowance.
- March 6, 2007 & October 22, 2007: NLRC affirmed LA's decision.
- Court of Appeals (CA) reversed NLRC's decision, granting permanent total disability benefits, additional sickness allowance, and attorney's fees.
- Petition for review filed with the Supreme Court challenging CA's reversal.

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Issues:

1. **Whether the CA erred in awarding Dedace total permanent disability benefits despite contrary findings by the NLRC and LA.**
2. **Whether the CA erred in granting attorney's fees to Dedace.**

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Court's Decision:

1. Permanent Total Disability Benefits:

- **Work-Related Nature of Illness:**

- The Supreme Court upheld that the company failed to effectively dispute the presumption that Dedace's illness was work-related.

- The company-designated physician did not issue a clear and conclusive medical assessment within the mandated 120-day period post-repatriation.

- **Medical Assessment and Evidence:**

- Dr. Cruz's May 20, 2004 letter lacked specificity and failed to substantiate the claim of the illness being non-work-related.

- The failure to provide a comprehensive final assessment deemed Dedace totally and permanently disabled by default under the POEA-SEC.

2. Attorney's Fees:

- The Supreme Court confirmed the award of attorney's fees, asserting Dedace was forced to litigate to secure his rightful benefits.

- Legal principles: Under Article 2208 of the Civil Code and related labor laws, employees are entitled to attorney's fees in cases involving recovery of wages and when litigating to protect legal rights.

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Doctrine:

1. Presumption of Work-Relatedness:

- Illnesses not listed under Section 32 of the POEA-SEC are disputably presumed work-related unless effectively countered by the employer.

2. Medical Assessment Requirements:

- The company-designated physician must provide a full and clear medical assessment

within 120 days post-repatriation, failing which the seafarer is considered totally and permanently disabled.

****3. Attorney's Fees:****

- Entitlement extends beyond cases of unlawful withholding of wages, applicable also where the employee must litigate to secure rights and benefits.

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Class Notes:

1. ****Legal Presumptions:****

- Under POEA-SEC, non-listed illnesses are presumed work-related unless rebutted by substantial evidence from the employer.

2. ****Employer's Burden:****

- To rebut the presumption, the employer must provide clear, conclusive evidence from the company-designated physician within stipulated timelines.

3. ****120-Day Rule:****

- Lack of a definitive medical assessment after 120 days results in automatic categorization of the seafarer's condition as permanent and total disability.

4. ****Attorney's Fees Justification:****

- Granted when an employee is forced to litigation to enforce or protect their legal rights, encompassing actions aside from mere recovery of wages.

Terms (POEA-SEC): Sections 20(B), 32, 32-A outline conditions for compensability and the procedural obligations of employers and company-designated physicians.

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Historical Background:

- ****Maritime Employment Law:****

- Seafarer contracts and disputes are governed by the 2000 POEA-SEC, designed to protect Filipino seafarers by standardizing terms and conditions, and establishing default presumptions in work-related injury or illness cases.

- ****Labor Jurisprudence:****

- Case law emphasizes the necessity for employers to conclusively disprove the presumption of work-related illnesses to avoid automatic liability. Temporary to permanent disability

classifications hinge on timely and definitive physician assessments.

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This case reinforces systemic legal protections granted to Filipino seafarers under the POEA-SEC, underscoring the critical role of medical assessments and the procedural obligations of maritime employers.