

****Title:****

Rosell R. Arguilles v. Wilhelmsen Smith Bell Manning, Inc./Wilhelmsen Ship Management Ltd., and Fausto R. Preysler, Jr.

****Facts:****

1. ****Employment Contract and Deployment (June 15, 2016 – July 24, 2016):**** Rosell R. Arguilles (Petitioner) entered into an employment contract with Wilhelmsen Smith Bell Manning, Inc. (Respondent) to serve as an Ordinary Seaman aboard the M/V Toronto. He passed his medical examination and commenced his duties on July 24, 2016.
2. ****Basketball Incident (December 26, 2016):**** During a basketball game with colleagues, Arguilles injured his left ankle, suspected to be a torn Achilles tendon. He received initial treatment aboard, with a plaster cast placed on his foot.
3. ****Medical Repatriation and Initial Treatment (January 18, 2017 – February 6, 2017):**** Arguilles was medically repatriated to the Philippines and referred to company-designated physicians at Marine Medical Services. An MRI diagnosed severe Achilles tendon tear and other associated injuries, leading to surgery on February 6, 2017.
4. ****Physical Therapy and Independent Physician Consultation (February 13, 2017 – June 28, 2017):**** Arguilles attended 49 physical therapy sessions. Respondents allegedly terminated his treatment on June 28, 2017, prompting Arguilles to consult Dr. Catapang, who declared him unfit for sea duty.
5. ****Filing of Complaint and Position Papers:**** Arguilles filed a complaint for disability benefits, arguing his injury was work-related and respondents failed to provide a final assessment within 120 days, classifying his disability as permanent and total. Respondents countered, alleging the injury was not work-related and presented a belated fit-to-work declaration by Dr. Bernal.

****Procedural Posture:****

1. ****Labor Arbiter's Decision (April 30, 2018):**** LA Hernandez ruled in favor of Arguilles, awarding US\$90,000.00 in disability benefits, citing the Bunkhouse Rule.
2. ****NLRC's Conflicting Rulings (2018-2019):**** The NLRC initially affirmed the LA's decision but reduced the award. Upon reconsideration and belated submission of Dr. Bernal's fit-to-work report, the NLRC reversed its decision and dismissed the complaint.

3. **Court of Appeals Decision (January 24, 2020, and November 9, 2020):** The CA affirmed the NLRC's dismissal, agreeing the injury was not work-related and hence non-compensable. Petitioner's motion for reconsideration was denied, leading to the present petition.

Issues:

1. **Work-Relatedness of Injury:** Whether Arguilles' injury, sustained during a recreational activity while off duty but on board the vessel, is compensable under the employment contract and relevant laws (Bunkhouse Rule and Personal Comfort Doctrine).
2. **Disability Benefits:** Whether respondents' failure to provide a definitive assessment or declaration within the prescribed periods (120/240 days) results in Arguilles' injury being classified as permanent and total, entitling him to disability benefits.

Court's Decision:

1. **Work-Relatedness of Injury:** The Supreme Court ruled that Arguilles' injury, sustained during an employer-sanctioned recreational activity, qualifies as work-related under the NSA-AMOSUP/NSU CBA and POEA SEC definitions. The Court recognized the Bunkhouse Rule and Personal Comfort Doctrine, establishing that injuries during employer-sanctioned activities on company premises or during acts necessary for personal comfort are compensable.
2. **Disability Benefits Finalization:** The Court found respondents failed to issue a final medical assessment within 120/240 days, thus under *Elburg Shipmanagement Phils., Inc. v. Quiogue, Jr.*, Arguilles' condition is considered permanent and total, entitling him to full disability benefits.
3. **Monetary Awards and Joint Liability:** The decision reinstated the LA's award of US\$90,000.00 in total and permanent disability benefits, holding respondents and their corporate officers jointly and severally liable, with an imposed interest rate of six percent (6%) per annum on the total monetary award from the date of finality of the judgment until full satisfaction.

Doctrine:

1. **Bunkhouse Rule:** Injuries sustained by employees required to live on employer premises are compensable if they arise out of and in the course of employment, regardless of the time the injuries occurred.
2. **Personal Comfort Doctrine:** Employee activities necessary for personal comfort during

work hours are incidental to employment and any injuries sustained are compensable.

3. **Total and Permanent Disability:** Absence of definitive medical assessment within the mandated 120/240 days results in disability classification as total and permanent, entitling the employee to full disability benefits.

Class Notes:

- **Bunkhouse Rule:** Injuries on employer premises during employer-sanctioned activities.
- **Personal Comfort Doctrine:** Injury while addressing personal comfort needs.
- **POEA SEC:** Governs work-related injuries and compensation for Filipino seafarers.
- **NSA-AMOSUP/NSU CBA:** Contractual obligations including recreational facilities.
- **Section 20(D) POEA-SEC:** Employer liability and exceptions for deliberate employee actions.

Historical Background:

- **Bunkhouse Rule and Personal Comfort Doctrine:** Evolved from both local and foreign jurisprudence to address injuries occurring on employer premises outside traditional work activities.
- **POEA SEC and CBA Regulations:** Reflect international labor standards to protect seafarers, ensuring provisions for their welfare including recreational activities onboard.