THIRD DIVISION

[G.R. No. 254586. July 10, 2023]

ROSELL R. ARGUILLES, PETITIONER, VS. WILHELMSEN SMITH BELL MANNING, INC./ WILHELMSEN SHIP MANAGEMENT LTD., AND FAUSTO R. PREYSLER, JR., RESPONDENTS.

D E C I S I O N

GAERLAN, J.:

This is a Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court, as amended, seeking the annulment and setting aside of the Decision[2] dated January 24, 2020 and the Resolution[3] dated November 9, 2020 of the Court of Appeals (CA) in CA-G.R. SP No. 160276.

The assailed issuances affirmed the Resolution[4] dated January 23, 2019 of the National Labor Relations Commission (NLRC), First Division, in NLRC LAC No. OFW-M-08-000611-18 which, in turn, reversed the April 30, 2018 Decision[5] of Labor Arbiter (LA) Renaldo O. Hernandez (LA Hernandez) in NLRC RAB Case No. (M) NCR-08-12093-17.[6]

In his Decision, LA Hernandez found merit in the complaint for disability benefits and other monetary claims filed by Rosell R. Arguilles (petitioner) against Wilhelmsen Smith Bell Manning, Inc. (Wilhelmsen Manning), Wilhelmsen Ship Management Ltd., (WSML), and Fausto R. Preysler, Jr. (Preysler) (collectively, respondents).

Antecedents

On June 15, 2016, petitioner entered into a Contract of Employment[7] with Wilhelmsen Manning on behalf of its principal, WSML, for petitioner to serve as an Ordinary Seaman on board the vessel M/V Toronto for a period of six months. Upon passing his medical examination and being declared as fit for sea duty,[8] petitioner was deployed and commenced his duties on July 24, 2016.

On December 26, 2016, while he was playing basketball with his work colleagues in their

free time, petitioner suffered an injury in his left ankle. The Injury/Illness Report[9] prepared by M/V Toronto's ship master described his injury as a suspected torn Achilles tendon. A plaster cast was placed in his foot. Thereafter, on January 18, 2017, petitioner was medically repatriated to the Philippines.

Upon his arrival, petitioner was referred to Wilhelmsen Manning's company-designated physicians at Marine Medical Services. He underwent an initial evaluation on January 20, 2017.[10] A magnetic resonance imaging (MRI) was performed on his left ankle, the result of which was described by the medical coordinator as follows:

> Left ankle MRI showed severely attenuated Achilles tendon approximately 7 cm proximal to the calcaneal insertion, consistent with high-grade partial tear. Only a small amount of intact tendon fibers are present this level. The proximal and distal portions of the Achilles tendon demonstrate diffuse enlargement with extensive interstitial partial tears. Chronic complete tear of the anterior talofibular ligament. Mild poorlydefined bone marrow signal changes involving the distal fibula and lateral calcaneus probably representing mild bone contusions. Small tibiotalar joint effusion.[11]

The above findings were directly lifted from the medical impressions of the attending physician of the Cardinal Santos Medical Center (CSMC) where the MRI was performed.[12]

Then, on February 6, 2017, petitioner underwent a surgery at the CSMC to repair his injured ankle.[13] The Clinical Abstract[14] shows that he was, ultimately, diagnosed with "High Grade Achilles Tendon Tear, Left."[15]

Following his surgery, petitioner was referred by Wilhelmsen Manning to Bonzel Healthcare Rehab Clinic (BHRC) for physical therapy sessions. Between February 13, 2017 and June 23, 2017, petitioner visited BHRC 49 times.[16]

Alleging that respondents terminated his treatment on June 28, 2017 because his "work-related injury was too severe to be resolved within 120 days,"[17] petitioner consulted an independent physician, Dr. Rogelio P. Catapang (Dr. Catapang) of Sta. Teresita General Hospital in Quezon City.

In his Medical Report,[18] Dr. Catapang declared petitioner unfit for sea duty. Thus:

> ***Mr. Arguilles*** still experiences pain of the left foot and ankle. The majority of patients regain full movements [sic] of a joint a few weeks after immobilization has been discontinued. Residual stiffness may be due either to intra-articular adhesions following a surgery involving the joint, or to extra-articular adhesions following traumatic edema with organization of the serofibrinous exudates into adhesions. Stiffness due to the repair of the Achilles tendon is due to adhesions due to the latter. The persistence of stiffness is sometimes an early symptom of traumatic arthritis. Recognizable interference with the articular cartilage is occasionally followed by arthritis, evident in MRI findings of mild bony contusions. This is seen chiefly in those patients who make constant demands at work (e.g. manual labor). The condition is then a sequel to raised pressure on the articular surfaces and continued stresses on the ligaments.
>
> ***Mr. Arguilles***' job demands heavy manual labor. He has weakness of the left lower extremity and cannot lift heavy objects because of the pain also felt at the left ankle joint. As an Ordinary Seaman may be called on to use emergency, lifesaving, damage control, and safety equipment; he must perform all operations connected with the launching of lifesaving equipment. He is also expected to be able to operate deck machinery, such as the windlass or winches while mooring or unmooring, and to operate cargo gear or other tasks directed by his superiors. These are activities which may require lifting heavy equipments [sic] or objects; climbing stairs or vertical ladders is with difficulty. ***Mr. Arguilles*** cannot perform these activities. There are restrictions placed on the patient's activities to prevent further injuries from occurring; he is UNFIT for further sea duties.[19]

Petitioner asked respondents for payment of disability benefits, to no avail. Thus, he filed a complaint before the arbitration branch of the NLRC.

In his Position Paper,[20] petitioner argued, *inter alia*, that his injury was work-related, having sustained the same during the term of his contract;[21] and that because respondents failed to arrive at a definitive assessment of his condition within 120 days from his repatriation, his disability should be classified as permanent and total and, accordingly, entitled to the corresponding benefits under the parties' Collective Bargaining Agreement (CBA).[22]

In their Position Paper,[23] respondents countered, among others, that petitioner's injury was

not work-related because he suffered the same while playing basketball in his free time;[24] and that contrary to petitioner's assertion, respondents' company-designated physician had actually declared him fit to work on June 28, 2017, and that such assessment holds greater weight than Dr. Catapang's evaluation of petitioner's condition.[25]

The LA Ruling

On April 30, 2018, LA Hernandez rendered a Decision[26] in favor of petitioner.

LA Hernandez reasoned that petitioner's disability is work-related under the so-called Bunkhouse Rule;[27] that his injury was never resolved by respondents;[28] and that, accordingly, petitioner was entitled to permanent and total disability benefits.[29]

Accordingly, LA Hernandez decreed:

> **WHEREFORE, PREMISES CONSIDERED**,judgment is hereby rendered finding complainant Rosell Rodriguez Arguilles to be entitled to payment for his total and permanent disability benefits under the parties' CBA of US$90,000.00, thus ORDERING respondents WILHELMSEN SMITH BELL MANNING, INC. and/or WILHELMSEN SHIP MANAGEMENT, LTD. and/or FAUSTO PREYSLER, JR., to pay complainant Arguilles such amount of US$90,000.00 in Philippine pesos at the prevailing exchange rate at the time of payment; in addition, to pay complainant moral and exemplary damages in the combined amount of P450,000.00; and finally to pay complainant 10% of the total monetary award as attorney's fees.
>
> **SO ORDERED.**[30]

Aggrieved, respondents elevated the case to the NLRC.

At this juncture, the Court notes that in arguing against petitioner's claim, respondents referred[31] to a document denominated as Final Medical Report which was purportedly issued by a certain company-designated orthopedic surgeon named Dr. Ferdinand Bernal (Dr. Bernal). However, no copy of this document was attached to respondents' Position Paper.[32] Petitioner likewise disputed[33] the existence of the said document in his Rejoinder.[34] The absence of this document was also noted[35] by LA Hernandez in his

foregoing Decision. Still, respondents continued to cite[36] the same in their Notice of Appeal with Memorandum of Appeal[37] without any evidentiary basis.

The NLRC's Rulings

On appeal, the NLRC issued two opposing rulings.

In its Decision[38] dated October 17, 2018, the NLRC maintained the finding of disability in favor of petitioner, albeit reducing the amount of disability compensation awarded by LA Hernandez.

The NLRC ruled that under Article 13[39] of the CBA,[40] petitioner is entitled to disability compensation because he sustained his injury in an accident which occurred while he was employed by respondents;[41] and that under the Bunkhouse Rule, whether petitioner sustained his injury when he was off duty is immaterial, as long as the injury happened in the course of his employment.[42] However, the NLRC ordered a reduction of the award of disability compensation due petitioner, explaining that his disability was neither permanent nor total.[43]

The NLRC also mentioned respondent's claim that Dr. Bernal had already declared petitioner fit to work on June 28, 2017. Nevertheless, at that stage of the proceedings, the records did not contain any copy of Dr. Bernal's Final Medical Report.[44]

Thus:

> **WHEREFORE**, the appeal of the respondents is hereby **PARTLY GRANTED**. The Decision of the Office of the Labor Arbiter dated 30 April 2018 is hereby **MODIFIED**, as follows:
>
> 1) The award of disability benefits is hereby reduced from Ninety Thousand U.S. Dollars and 00/100 (USD90,000.00) to Nine Thousand Four Hundred Five U.S. Dollars and 00/100 (USD9,405.00). The latter amount corresponds to Disability Grading 12 under the provisions of the parties' Collective Bargaining Agreement and the Philippine Overseas Employment Administration Memorandum Circular No. 10, Series of 2010; and
>
> 2) The combined amount of Four Hundred Fifty Thousand Pesos and 00/100

> (Php450,000.00) awarded by the Office of the Labor Arbiter as moral and exemplary damages is hereby reduced to One Hundred Thousand Pesos and 00/100 (Php100,000.00).
>
> Respondents Wilhelmsen Smith Bell Manning, Inc., Wilhelmsen Ship Management Ltd. and Fausto Preysler are held solidarily liable to pay all the awards provided herein.
>
> The other portions of the said Decision of the Office of the Labor Arbiter not affected by the foregoing modification hereby **STAND**.
>
> **SO ORDERED.**[45]

Dissatisfied, petitioner and respondents interposed their respective Motion for Reconsideration[46] and Partial Motion for Reconsideration.[47] Respondents produced, **for the first time**, the June 28, 2017 document[48] signed by Dr. Bernal that they were repeatedly alluding to as proof that petitioner was declared fit to work. It was written in a medical prescription form and, contrary to respondents' claim, was not denominated as a Final Medical Report:

(image supposed to be here)

Nevertheless, on January 23, 2019, the NLRC completely reversed its own findings and conclusions and, resultantly, ordered the dismissal of petitioner's claim for disability benefits. It declared that because petitioner's injury was not work-related, it was not compensable.[49]

Hence, the NLRC disposed:

> **WHEREFORE**, the motion of the complainant is hereby **DENIED** for lack of merit, while the motion of the respondents is hereby **GRANTED**.
>
> The disability benefits in the amount of Nine Thousand Four Hundred Five Pesos and 00/100 (US$9,405.00), plus damages, granted by this Commission, as well as the imposition of solidary liability upon the respondents are hereby all **SET ASIDE**. The Decision of the Office of the Labor Arbiter dated 30 April 2018 is hereby **REVERSED**. Accordingly, the complaint is hereby **DISMISSED** for lack

> of merit.
>
> **SO ORDERED.**[50]

Undaunted, petitioner filed a Rule 65[51] Petition for *Certiorari*[52] before the CA. The filing of respondents' comment thereto was declared waived by the appellate court on the ground of their failure to do so within the period granted to them.[53]

The CA Ruling

In the herein assailed Decision[54] dated January 24, 2020, the CA affirmed the NLRC's dismissal of petitioner's complaint.

The CA pronounced that, indeed, petitioner's injury was not work related and, therefore, not compensable; and, as such, there was no longer any need to discuss the presence or absence of a final evaluation or assessment of his condition on the part of respondents' company-designated physicians.

The dispositive portion of the appellate court's Decision reads:

> **WHEREFORE**, the instant petition for certiorari is **DENIED**. The assailed Resolution dated 23 January 2019 of the public respondent National Labor Relations Commission (First Division), in NLRC LAC No. OFW-M-08-000611-18 is **AFFIRMED**.
>
> **SO ORDERED.**[55]

Petitioner's Motion for Reconsideration[56] was denied by the CA in the herein assailed Resolution[57] dated November 9, 2020.

Hence, the present recourse.

Issue

Whether the CA erred in affirming the NLRC's order dismissing petitioner's claim for

disability benefits on the ground that his injury was not work-related and, hence, not compensable.

Arguments

In favor of petitioner

Excoriating the ratiocination of the CA, petitioner asseverates in the instant petition that the nature of his work contributed to his injury; that while he was not on duty at the time that he sustained his injury during his leisure time, he was nevertheless on "on call" status and may be summoned by his superiors at any given time and regardless if he was sleeping, eating, or playing basketball; that because of their "on call" status, their working environment was controlled by their employer who allowed them to engage in activities like basketball during their off-duty hours; and that as such, the Bunkhouse Rule is squarely applicable to his case.

Petitioner likewise contends that because respondents never issued a "fit to work" declaration or a definite assessment of his condition within the 120 and 240-day periods contemplated by law, his disability should already be considered as total and permanent.

Thus, petitioner beseeches the Court to reinstate *in toto* the April 30, 2018 Decision[58] of LA Hernandez.

In favor of respondents

Resolute in their position that the CA correctly ruled in their favor, respondents contend in their Comment[59] that petitioner's injury was not work-related and, therefore, not compensable; that after undergoing treatment and rehabilitation, petitioner was declared "fit to work" by the company-designated physician; and that, accordingly, petitioner's monetary claims must be denied.

The Ruling of the Court

At the outset, petitioner raises questions of fact which are generally not allowed in a Rule 45[60] petition for review on *certiorari*. In this proceeding, only questions of law may be raised[61] because the Court is not a trier of facts.[62] Indeed, questions of fact are for the labor tribunals to resolve.[63]

Nevertheless, the rule admits of exceptions. If the findings of fact of the LA are in direct conflict with the NLRC, this Court may examine the records of the case and the questioned findings in the exercise of its equity jurisdiction.[64] Such is obtaining in this case. The conflicting findings of the LA, the NLRC, and the CA pave the way for this Court to review factual issues even if it is exercising its function of judicial review under Rule 45.[65]

Following a painstaking review of the records extant in this case, as well as the parties' postures as amplified in their respective pleadings, the Court finds the petition impressed with merit.

I.

The seafarers' employment is governed by the contracts they signed at the time of engagement.[66] In this case, petitioner's relationship with respondents is governed by the collective bargaining agreement between the Norwegian Shipowners' Association, on one hand, and the Association of Marine Officers' and Seamen's Union of the Philippines and the Norwegian Seafarers' Union, on the other (NSA-AMOSUP/NSU CBA).[67] Article 24 thereof states that the duration of said agreement was from January 1, 2016 until December 31, 2017,[68] or well within the period of service rendered by petitioner.

As a seafarer, petitioner obviously had to live on board M/V Toronto. Thus, the NSA-AMOSUP/NSU CBA included a provision with respect to how he is billeted in the said vessel, *viz*.:

> **Article 3**
> **Board and Lodging**
>
> The seafarer is entitled to free board and lodging during service on board. If board and lodging is not provided on board, the Company shall defray the cost of satisfactory board and lodging ashore.
>
> The free board and lodging on board the vessel the vessel (sic) should include:
>
> (a) sufficient food of good quality
> (b) accommodation of adequate size and standard

(c) one mattress and at least one pillow, three blankets, two sheets, one pillow case (sic) and two towels. The sheets, pillow case (sic) and towels shall be changed at least once a week
(d) necessary cutlery and crockery
(e) laundry facilities
(f) recreational facilities in accordance with ILO Recommendation No. 138 (1970).[69] (Underscoring supplied)

Prescinding from the foregoing, it is evident that having a bed to sleep on is not enough to satisfy the minimum board and lodging requirements for a seafarer in petitioner's shoes. The NSA-AMOSUP/NSU CBA provides for the provision of sleeping, cooking, and laundry equipment. More relevantly, it is required that recreational facilities be provided in accordance with International Labor Organization (ILO) Recommendation No. 138, series of 1970. Title IV of the said document reads as follows:

IV. Recreation Facilities in Port and on Board Ship

23. Centres providing meeting and recreation rooms for seafarers of all nationalities should be established or developed in all ports of interest to international shipping where there is a need for them.
24. Healthy recreation such as hobbies, gymnastics, games or sports, both ashore and on board, as well as excursions to places of interest, should be encouraged and should be organised by and for seafarers with assistance as appropriate from the port welfare bodies. Where possible, facilities for swimming should be provided on board ship.
25. All seafarers visiting a port should, where practicable and possible, have the opportunity of taking part in sports and outdoor recreation; for this purpose suitable facilities should be made available, for example by providing sports fields for the use of seafarers or by arranging for them access to existing sports fields.
26. There should be co-operation among the competent authorities of different countries, shipowners' and seafarers' organisations, welfare organisations and ships' captains in the establishment of international seafarers' sports competitions such as lifeboat races, athletics and football matches.[70] (Underscoring supplied)

It is apparent that a seafarer's participation in recreational activities such as sports and games is not an unsanctioned activity as respondents have characterized. Rather, they are

part and parcel of a seafarer's life while traversing the Seven Seas, should his or her vessel lead there. Accordingly, the fact that a seafarer suffered an injury while playing sports on board a vessel, during his or her free time, should not be curtly dismissed and brushed aside as one that it not related to that seafarer's occupation.

Relevant and worthy of a brief discussion at this point are two jurisprudential precepts: the Bunkhouse Rule repeatedly espoused by petitioner, and the Personal Comfort Doctrine.

I. A.

The Bunkhouse Rule was characterized by the Corpus Juris Secundum in the following manner:

> When the contract of employment contemplates that the employee shall sleep, or have his meals, or do both on the premises of the employer, the employee is considered to be performing services growing out of, and incidental to, or in the course of, such employment during the time he is on the premises of the employer for such purposes before or after the regular working hours.[71]

Admittedly, there is a scarcity of jurisprudential discussions in this jurisdiction with regard to the Bunkhouse Rule. The most recent evaluation of this precept can be traced back to the 1980 case of *Uy v. Workmen's Compensation Commission*,[72] where the Court aptly defined the Bunkhouse Rule as one "where the employee is required to stay in the premises or in quarters furnished by the employer, injuries sustained therein are in the course of employment *regardless of the time the same occurred*."[73] Thus, the Court is constrained to take a glimpse at foreign jurisprudence to enhance Our understanding of this seldom-visited legal principle. Although foreign case law is merely persuasive authority and this Court is not bound by the same,[74] they may nevertheless provide a useful framework in our own examination of the scope and application of the Bunkhouse Rule.

In *Larson v. Industrial Accident Commission*,[75] the Supreme Com1 of California declared that the test in determining the application of the Bunkhouse Rule is whether or not the employee is given a choice in the matter of where to live and is as free as possible to come or go as he or she pleases. The basic underpinning for this test, as explained by the Court of Appeals of Oregon in *Leo Polehn Orchards v. Hernandez*,[76] is that it is the obligation of

employment to be on the premises that creates the risk of injury to the employee; when the employee is free to leave when he or she pleases, that employment connection does not exist. And in *Rodgers v. Kemper Construction Company*,[77] the Court of Appeals of California declared that:

> [W]here social or recreational pursuits on the employer's premises after hours are endorsed by the express or implied permission of the employer and are "conceivably" of some benefit to the employer or, even in the absence of proof of benefit, if such activities have become "a customary incident of the employment relationship," an employee engaged in such pursuits after hours is still acting within the scope of his employment.

Indeed, as summarized by the Supreme Court of Pennsylvania in *O'Rourke v. Workers' Compensation Appeal Board*,[78] the Bunkhouse Rule imposes workers' compensation liability on an employer that requires its workers to live in employer-furnished premises, which the employer controls, maintains, and uses for its benefit.

Prescinding from the foregoing, one can discern that the basis of compensability under the Bunkhouse Rule is when employees are required by the nature of their work to stay within the premises of their respective employers.

I. B.

Under the Personal Comfort Doctrine, "the course of employment is not considered broken by certain acts relating to the personal comfort of the employee, as such acts are helpful to the employer in that they aid in efficient performance by the employee. On the other hand, acts which are found to be departures effecting a temporary abandonment of employment are not protected."[79]

In the magniloquent, though antiquated, language of the Supreme Court of California in *Whiting-Mead Commercial Co. v. Industrial Accident Commission*:[80]

> Such acts as are necessary to the life, comfort, and convenience of the servant while at work, though strictly personal to himself, and not acts of service, are incidental to the service, and injury sustained in the performance thereof is

> deemed to have arisen out of the employment. A man must breathe and occasionally drink water while at work. In these and other conceivable instances he ministers unto himself, but in a remote sense these acts contribute to the furtherance of his work.... That such acts will be done in the course of employment is necessarily contemplated, and they are inevitable incidents. Such dangers as attend them, therefore, are incidental dangers. At the same time injuries occasioned by them are accidents resulting from the employment.

Verily, breaks which allow employees to administer to their personal comfort better enable them to perform their jobs and are therefore considered to be in furtherance of the employer's business.[81] Although technically the employees are performing no services for their employer in the sense that their actions do not contribute directly to the employer's profits, compensation is justified on the rationale that the employer receives indirect benefits in the form of better work from happy and rested employees, and on the theory that such minor deviations do not take the employees out of their employment.[82]

As with the Bunkhouse Rule, the Personal Comfort Doctrine has not yet been deeply inculcated in Our jurisprudence. Nevertheless, the Court has perambulated over this legal concept more recently in the case of *Oscares v. Magsaysay Maritime Corporation*.[83]

In the said case, John A. Oscares (Oscares) was a seafarer who was working on board the vessel MV K. Gamet which, at the time of the injury in question, was docked at a port in Panama. Oscares, while singing in front of a videoke machine together with another crew member, slipped and suffered serious knee injuries.

Applying the Personal Comfort Doctrine to rule him entitled to disability benefits, the Court, speaking through Madame Justice Rosmari D. Carandang, enunciated in this wise:

> Prior to the Labor Code, the Workmen's Compensation Act is the first law on workmen's compensation in the Philippines for work-related injury, illness, or death. As such, We have also noted that the rule on compensation for work related-injuries of seafarers is analogous to the rule under the Workmen's Compensation Act, that a preliminary link between the illness and the employment must first be shown before the presumption of work-relation can attach.

> In the case of *Luzon Stevedoring Corporation v. Workmen's Compensation Commission*, the Court held that "acts reasonably necessary to health and comfort of an employee while at work, such as satisfaction of his thirst, hunger, or other physical demands, or protecting himself from excessive cold, are incidental to the employment and injuries sustained in the performance of such acts are compensable as arising out of and in the course of employment." Similar to Iloilo Dock & Engineering Co., Luzon Stevedoring Corporation also involves Act No. 3428. Even so, we find that its ruling applies here since Act No. 3428, like the POEA-SEC, also makes personal injury from any accident arising out of and in the course of the employment compensable.
>
> In this case, Oscares' act of singing can be considered necessary to his health and comfort while on board the vessel. He incurred his injury while he was performing this act. Oscares neither willfully injured himself nor acted with notorious negligence. Notorious negligence is defined as something more than mere or simple negligence or contributory negligence; it signifies a deliberate act of the employee to disregard his own personal safety. Jumping while singing cannot be considered as a reckless or deliberate act that is unmindful of one's safety. There is nothing inherently dangerous about jumping while singing. Respondents themselves did not allege that Oscares intentionally injured himself or was negligent. The truth is that he simply lost his balance. Accordingly, Oscares' injury is compensable. x x x

I. C.

While the Bunkhouse Rule and Personal Comfort Doctrine may find some application in this case, it must be stressed that the 2010 Philippine Overseas Employment Administration Standard Employment Contract (POEA SEC), in conjunction with the NSA-AMOSUP/NSU CBA, already serves as the **main basis** for his claims.

Section 2, Rule IV of Department of Labor and Employment Order No. 130, series of 2013,[84] provides that the terms and conditions of employment of seafarers shall be governed by the POEA SEC.

Under the definition of terms of the POEA SEC, a work-related injury is an "injury arising out of and in the course of employment."[85] Nowhere in this definition is it required that a seafarer must suffer an injury while he or she is actually performing his or her duties.

Section 2(A) of the POEA SEC also provides that the employment contract of the seafarer shall be effective until his or her date of arrival at the point of hire upon termination of his or her employment.

Relatedly, under Section 1(A)(4) of the POEA SEC, an employer is duty-bound to “provide a seaworthy ship for the seafarer and take all reasonable precautions to prevent accident and injury to the crew including provision of safety equipment, fire prevention, safe and proper navigation of the ship and such other precautions necessary to avoid accident, injury or sickness to the seafarer.”

It is beyond cavil that petitioner’s injury was sustained while his employment contract was still in effect and while he was still on board M/V Toronto. Accordingly, he suffered his injury in the course of his employment. This squarely falls within the POEA SEC’s definition of a work-related injury.

In arriving at this conclusion, the Court makes it clear that not all injuries sustained by a seafarer on board a ship shall be compensable. After all, the employer was never intended to be an insurer against all accidental injuries which might happen to an employee while in the course of the employment, but only for such injuries arising from or growing out of the risks peculiar to the nature of work in the scope of the workmen’s employment or incidental to such employment, and accidents in which it is possible to trace the injury to some risk or hazard to which the employee is exposed in a special degree by reason of such employment.[86] At this juncture, Section 20(D) of the POEA-SEC expressly provides:

> Section 20. COMPENSATION AND BENEFITS
>
> x x x x
>
> D. No compensation and benefits shall be payable in respect of any injury, incapacity, disability or death of the seafarer resulting from his willful or criminal act or intentional breach of his duties, provided however, that the employer can prove that such injury, incapacity, disability or death is directly attributable to the seafarer.

Under this provision, a seafarer is disqualified from receiving disability benefits if the employer proves the following: (1) that the injury, incapacity, or disability is directly attributable to the seafarer; (2) that the seafarer committed a crime or willful breach of

duties; and (3) the causation between the injury, incapacity, or disability, and the crime or breach of duties.[87]

Since it is undisputed that petitioner's injury happened during the term of his employment, the burden rests upon respondents to prove by substantial evidence that such injury was directly attributable to his deliberate or willful act.[88] Substantial evidence, to recall, has been defined as such relevant evidence as a reasonable mind might accept as adequate to support a conclusion, even if other minds equally reasonable might conceivably opine otherwise.[89]

Here, petitioner was merely playing basketball, an employer-sanctioned activity onboard the vessel. It cannot be considered as a reckless or deliberate activity that is unmindful of one's safety. The records are bereft of any evidence, much less the slightest indication, that the injury suffered by petitioner was intentionally or negligently incurred. Thus, his injury is worthy of compensation.

II.

In any event, petitioner's entitlement to full disability benefits had already lapsed by operation of law.

The determination of the fitness of a seafarer for sea duty is the province of the company-designated physician, subject to the periods prescribed by law.[90] In *Elburg Shipmanagement Phils., Inc. v. Quiogue, Jr.*,[91] the Court laid down the following guideposts that shall govern the claims for total and pe1manent disability benefits by a seafarer:

1. The company-designated physician must issue a final medical assessment on the seafarer's disability grading within a period of 120 days from the time the seafarer reported to him or her;
2. If the company-designated physician fails to give his or her assessment within the period of 120 days, without any justifiable reason, then the seafarer's disability becomes permanent and total;
3. If the company-designated physician fails to give his or her assessment within the period of 120 days with a sufficient justification (e.g. seafarer required further medical treatment or seafarer was uncooperative), then the period of diagnosis and treatment shall be extended to 240 days. The

employer has the burden to prove that the company-designated physician has sufficient justification to extend the period; and

4. If the company-designated physician still fails to give his or her assessment within the extended period of 240 days, then the seafarer's disability becomes permanent and total, regardless of any justification.

Applying the foregoing standards to the case at bar, it may be recalled that petitioner was repatriated to the Philippines on January 18, 2017. He was then treated by respondents' company-designated physicians at Marine Medical Services and, thereafter, BHRC. The 120-day and 240-day periods contemplated above lapsed without respondents ever issuing a final evaluation of petitioner's condition.

The Court emphatically rejects as a mere scrap of paper the document[92] ante-dated June 28, 2017 which respondents claim to be the final report declaring petitioner fit to work. As mentioned earlier, said document is merely a medical prescription that is not even denominated as a Final Medical Report as respondents erroneously claim. Worse, it was submitted belatedly before the NLRC.

It is true that labor tribunals, such as the NLRC, are not precluded from receiving evidence submitted on appeal as technical rules are not binding in cases submitted before them.[93] However, any delay in the submission of evidence should be adequately explained and should adequately prove the allegations sought to be proven.[94]

Here, there was no attempt on the part of respondents to explain the belated submission of evidence at the motion for reconsideration stage of the proceedings before the NLRC. On the contrary, respondents blatantly and falsely claimed that the same was already submitted to the LA and, thereafter, in their appeal with the NLRC. Unfortunately for respondents, the records do not lie. It was only when they sought a reconsideration of the NLRC's October 17, 2018 Decision that this document saw the light of day. The Court cannot countenance respondents' reprehensible behavior on this matter.

Since no certification was issued by the company-designated physician within the 120/240-day period,[95] petitioner's condition had already lapsed into a total and permanent disability.[96] He is, therefore, entitled to full disability benefits. In accordance with the provisions of the NSA-AMOSUP/NSU CBA, LA Hernandez correctly declared that petitioner is entitled to disability benefits amounting to US $90,000.00.[97]

III.

The Court declares the corporate officers of Wilhelmsen Manning jointly and severally liable for the total judgment award. This is based on Section 10 of Republic Act (R.A.) No. 8042, otherwise known as the Migrant Workers and Overseas Filipinos Act of 1995, as amended by Section 7 of R.A. No. 10022, which states:

> SECTION 10. Money Claims. — x x x
>
> The liability of the principal/employer and the recruitment/ placement agency for any and all claims under this section shall be joint and several. This provision shall be incorporated in the contract for overseas employment and shall be a condition precedent for its approval. The performance bond to be filed by the recruitment/placement agency, as provided by law, shall be answerable for all money claims or damages that may be awarded to the workers. If the recruitment/placement agency is a juridical being, the corporate officers and directors and partners as the case may be, shall themselves be jointly and solidarily liable with the corporation or partnership for the aforesaid claims and damages. x x x" (Underscoring Ours)

In view of this provision, the corporate officers of Wilhelmsen Manning must be held jointly and severally liable with Wilhelmsen Manning and WSML for the monetary awards due petitioner.

In consonance with *Lara's Gifts & Decors, Inc. v. Midtown Industrial Sales, Inc.*,[98] interest at the rate of six percent (6%) *per annum* is hereby imposed on the total monetary award from the date of finality of this judgment until its full satisfaction.

WHEREFORE, the petition is **GRANTED**. The Decision dated January 24, 2020 and the Resolution dated November 9, 2020 of the Court of Appeals in CA-G.R. SP No. 160276 are hereby **REVERSED** and **SET ASIDE**. The Decision dated April 30, 2018 issued by Labor Arbiter Renaldo O. Hernandez in NLRC RAB Case No. (M) NCR-08-12093-17 is hereby **REINSTATED** with **MODIFICATION**.

Respondents Wilhelmsen Smith Bell Manning, Inc., Wilhelmsen Ship Management Ltd., and the corporate officers of Wilhelmsen Smith Bell Manning, Inc. are hereby **ORDERED** to

PAY, jointly and severally, petitioner **Rosell R. Arguilles** US$90,000.00 as total and permanent disability benefits.

Interest at the rate of six percent (6%) *per annum* is likewise imposed on the total monetary award, reckoned from the date of finality of this judgment until its full satisfaction.

SO ORDERED.

Caguioa, (Chairperson), Inting, Dimaampao, and *Singh, JJ.*, concur.

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[1] *Rollo*, pp. 38-83.

[2] Id. at 84-102. Penned by Associate Justice Mariflor P. Punzalan Castillo with Associate Justices Nina G. Antonio-Valenzuela and Louis P. Acosta concurring.

[3] Id. at 104-105.

[4] Id. at 151-160. Penned by Commissioner Gina F. Cenit-Escoto with Presiding Commissioner Gerardo C. Nograles concurring.

[5] Id. at 348-372.

[6] Also referred to by the NLRC as NLRC NCR Case No. 08-13093-17.

[7] *Rollo*, p. 195.

[8] Id. at 196-199.

[9] Id. at 200.

[10] Id. at 296-297.

[11] Id, at 298.

[12] Id. at 202.

[13] Id. at 203.

[14] Id. at 204-205.

[15] Id. at 204.

[16] Id. at 206-212; 350-351.

[17] Id. at 167.

[18] Id. at 213-215.

[19] Id. at 214-215.

[20] Id. at 161-194.

[21] Id. at 171-173.

[22] Id. at 174-192.

[23] Id. at 268-294.

[24] Id. at 272-277.

[25] Id. at 277-285

[26] Id. at 348-372.

[27] Id. at 363-370.

[28] Id. at 370-371.

[29] Id. at 371-372.

[30] Id. at 372.

[31] Id. at 271.

[32] Id. at 268-294.

[33] Id. at 331.

[34] Id. at 330-334.

[35] Id. at 351.

[36] Id. at 376.

[37] Id. at 373-410.

[38] Id. at 135-149.

[39] Id. at 236.

[40] Id. at 223-267.

[41] Id. at 141-142.

[42] Id. at 142-143.

[43] Id. at 144.

[44] Id. at 145.

[45] Id. at 148-149.

[46] Id. at 475-484.

[47] Id. at 485-517.

[48] Id. at 519.

[49] Id. at 156-158.

[50] Id. at 159.

[51] RULES OF COURT.

[52] *Rollo*, pp. 107-128.

[53] Id. at 24.

[54] Id. at 84-102.

[55] Id. at 101.

[56] Id. at 575-587.

[57] Id. at 104-105.

[58] Id. at 348-372.

[59] Id. at 592-613.

[60] RULES OF COURT.

[61] **Office of the Ombudsman v. Tanco, G.R. No. 233596**, September 14, 2020, 952 SCRA 253, 263.

[62] **Heirs of Teresita Villanueva v. Heirs of Petronila Syquia Mendoza**, 810 Phil 172, 183 (2017).

[63] **Almogera, Jr. v. A & L Fishpond and Hatchery, Inc., G.R. No. 247428**, February 17, 2021.

[64] **Protective Maximum Security Agency, Inc. v. Fuentes**, 753 Phil. 482, 506 (2015).

[65] **Princess Talent Center Production, Inc. v. Masagca**, 829 Phil. 381, 406 (2018).

[66] **Calera v. Hoegh Fleet Services Philippines, Incorporated, G.R. No. 250584**, June 14, 2021.

[67] *Rollo*, pp. 220-267.

[68] Id. at 242.

[69] Id. at 228-229.

[70] R138 – Seafarers' Welfare Recommendation, 1970 (No. 138), available at https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R138 (last accessed on January 19, 2023).

[71] **Aubin v. Kaiser Steel Corp.**, 185 Cal. App. 2d 658 (1960).

[72] 186 Phil. 153 (1980).

[73] Id. at 171.

[74] **Ient v. Tullet Prebon (Phils.), Inc.**, 803 Phil. 163 (2017).

[75] 193 Cal. 406, 224 P. 744 (Cal. 1924).

[76] 857 P.2d 213 (1993).

[77] 50 Cal. App. 3d 608 (1975).

[78] 125 A.3d 1184 (2015).

[79] **State Compensation Insurance Fund v. Workmen's Compensation Appeals Board**, 67 Cal.2d 925 (1967).

[80] 178 Cal. 505, 173 P. 1105 (Cal. 1918).

[81] **Cozza v. Workmen's Compensation Appeal Board**, 34 Pa. Commw. 605, 383 A.2d 1324 (Pa. Cmmw. Ct. 1978).

[82] **Brown v. Muskego Norway School District Group Health Plan**, 2019 WI App. 65, 389 Wis. 2d 377, 936 N.W.2d 418 (Wis. Ct. App. 2019).

[83] **G.R. No. 245858**, December 2, 2020.

[84]Available at https://www.dmw.gov.ph/archives/laws&rules/files/Rules%20and%20Regulations%20on%20the%20Employment%20of%20Seafarers%20Onboard%20Philippine%20Registered%20Ships%20Engaged%20in%20International%20Voyage%20-%20Department%20Order%20No.%20130,%20Series%20of%202013.pdf (last accessed July 13, 2023).

[85] Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-Board Ocean-Going ships.

[86] **Marlow Navigation Philippines, Inc. v. Heirs of Ricardo S. Ganal**, 810 Phil. 956, 964 (2017).

[87] **Rodelas v. MST Marine Services (Phils.), G.R. No. 244423**, November 4, 2020.

[88] **Seapower Shipping Ent., Inc. v. Heirs of Warren M. Sabanal**, 811 Phil. 102, 109 (2017).

[89] **Agile Maritime Resources, Inc. v. Siador**, 744 Phil. 693, 707 (2014).

[90] **Carcedo v. Maine Marine Philippines, Inc.**, 758 Phil. 166, 187 (2015).

[91] 765 Phil. 341 (2015).

[92] *Rollo*, p. 519.

[93] **Mariano v. G.V. Florida Transport, G.R. No. 240882**, September 16, 2020, 955 SCRA 29, 38.

[94] **Misamis Oriental II Electric Service Cooperative (MORESCO II) v. Cagalawan**, 694 Phil. 268, 281 (2012).

[95] **Belchem Philippines, Inc./United Philippine Lines v. Zafra, Jr.**, 759 Phil. 514, 530 (2015).

[96] **Tamin v. Magsaysay Maritime Corporation**, 794 Phil. 286, 298-299 (2016).

[97] *Rollo*, p. 236.

[98] 860 Phil. 744 (2019).

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