

**ANTONIO ENGAN TY, “Y” SHIPPING CORPORATION,
PETITIONER, VS. THE HONORABLE WORKMEN’S
COMPENSATION COMMISSION AND RODRIGO DOMINGUEZ,
RESPONDENTS.**

G.R. No. L-38296. August 23, 1974

Ponente: TEEHANKEE, J.

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TEEHANKEE, J.:

The Court orders the remand of the case to respondent WCC for its consideration and appropriate action on the compromise settlement submitted by petitioner to this Court. Since factual questions are involved and respondent claimant would now repudiate the settlement on the ground of its being "far short" of the compensation to which he claims to be entitled, the commission is directed to determine and take into account all amounts which may have been previously paid by petitioner for compensation, medicines and medical services, etc., which information respondent-claimant Rodrigo Dominguez did not give in his claim leaving in blank the answer he should have given to the corresponding question thereon and proofs of which previous payments petitioner has not been given an opportunity to submit to respondent commission.

Petitioner-employer filed on March 19, 1974 the present petition for review of respondent commission's en banc orders of November 7, 1973 and January 9, 1974 declaring that the decision of August 22, 1973 rendered by chairman Pucan had become final and executory and that "the commission en banc has lost its power to entertain" and act on petitioner's motion for reconsideration thereof.

Petitioner prayed that its motion for reconsideration be reinstated and resolved on its merits, averring inter alia in its verified petition supported by documentary evidence that respondent-claimant's claim for disability benefits from pulmonary tuberculosis had been initially "dismissed for lack of merit" at the last investigation thereof on March 17, 1972; that five (5) months thereafter, without any hearing at all, it was surprised to receive a notice of award on September 13, 1972 ordering it to pay disability benefits with administrative fees; that it moved for reconsideration and for its right to a day in court but that upon elevation to the commission, chairman Pucan rendered the decision increasing, without hearing it, the award by ordering it to pay respondent P6,000.00 as disability compensation under sections 14 and 18 of the Workmen's Compensation Act, P2,013.45 as reimbursement of medical expenses, P600.00 as attorney's fees and administrative fees.

Petitioner complained against its having been denied its day in court to prove, contrary to the commission's mere assumption, that it (petitioner) had shouldered and paid for all the medicines and professional services rendered claimant during his illness, besides having paid him directly various amounts by way of compensation. Petitioner further showed that malice and misrepresentation attended respondent's claim in that he left in blank the answer to question No. 18 of the claim form, to wit, "Have you received any amount as compensation from your employer? If yes, how much?" notwithstanding his knowledge that he had in fact received such compensation from petitioner and that petitioner had paid for all medicines and medical services.

The Court per its resolution of March 20, 1974 required respondents to comment on the petition and issued a temporary restraining order against enforcement of the decision and orders complained of.

Respondent commission filed in due course its comment opposing the petition. On June 25, 1974, petitioner filed in lieu of a reply thereto its "motion to submit the case for judgment based on compromise agreement." It submitted therewith respondent's handwritten letter offering to amicably settle his claim for P3,300.00 cash (of which he would pay P400.00 to his lawyer) "para matapos na itong usapan" a "satisfaction of decision" dated June 17, 1974 signed and sworn to by claimant and witnessed by his counsel of record acknowledging receipt from petitioner of P3,300.00 "as payment for his claim against (petitioner)" and a receipt dated June 20, 1974 acknowledging receipt of said sum of P3,300.00-in "full settlement" of his claim and "that this settlement, to my full satisfaction, be made as a basis of the judgment of this Honorable Tribunal." Petitioner thus prayed that "a judgment be rendered . . . on the foregoing compromise settlement in the interest of justice."

Required to comment thereon, respondent commission opposed the motion, asserting that the compromise settlement is null and void under sections 7 and 29 of the Workmen's Compensation Act, since the required approval by the commission was not obtained. The cited sections provide:

"SEC. 7 Contract prohibited. — Any contract, regulation, or device of any sort intended to exempt the employer from all or part of the liability created by this Act shall be null and void.

"xxx xxx xxx

"SEC. 29. Agreement on compensation. — In case the employer and the injured laborer or the dependents entitled to compensation arrive at an agreement concerning the compensation provided for by this Act, such agreement in order to be valid, shall provide, at least, the same amount of compensation as that prescribed by this Act and must be approved by the Workmen's Compensation Commissioner, or any of his authorized representatives: Provided, however, That the employer shall be exempt from all liability under this Act as soon as the compensation has been paid in accordance with this Section, saving provisions of section six of this Act."

Respondent thru counsel also opposed the motion on the same grounds, further presenting respondent's affidavit that he received the sum of the settlement "when he was extremely in need of the same thereby vitiating his consent." Respondent's counsel further contended that the amount of the settlement was "far short" of the compensation provided by the Act and awarded by the commission and that the same "will unduly deprive the herein attorney of his fees. . ."

Petitioner in turn manifested that it had acceded to the compromise agreement "with clean hands and utmost sincerity and honesty" and that "the pleading 'SATISFACTION OF DECISION,' marked Annex 'B' (for petitioner) dated June 17, 1974, was actually prepared and brought to the office of the petitioner herein not only by the private respondent himself, but, by the counsel of record who also effected the notarization of the instrument and further affixed his signature as one of the instrumental witnesses; x x x" in support of its assertion that respondent freely and voluntarily executed the settlement with the due assistance of his counsel.

Under the circumstances, the Court deems it just and proper to remand the case and particularly the compromise agreement executed between the parties to respondent commission for its consideration and appropriate action under section 29 of the Act above-quoted. In determining whether or not the compromise settlement merits approval, respondent commission shall determine whether in fact claimant was guilty of fraud and misrepresentation in not having stated in his claim the amounts, if any actually paid to and received by him from petitioner for compensation, medicines and medical expenses, etc., and shall receive petitioner's evidence as to all and such amounts which may have actually been previously paid by petitioner to claimant and take the same into

account and consideration, bearing in mind that a compromise is a contract whereby the parties by making reciprocal concessions on matters not clearly established one way or the other, avoid a litigation or put an end to one already commenced. (Article 2028, Civil Code).

WHEREFORE, the Court remands the case to respondent commission for further proceedings in line with the Court's instructions in the preceding paragraph and for respondent commission to act accordingly upon the compromise settlement executed between the parties and submitted on June 25, 1974 to this Court, furnishing this Court with a copy of its final action thereon.

Makalintal, C.J., Castro, Makasiar, Esguerra, and Muñoz Palma, JJ., concur.

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