

MARIANO A. LIMOS, PETITIONER-CLAIMANT, VS. FERNANDEZ HERMANOS, INC. AND WORKMEN'S COMPENSATION COM-MISSION, RESPONDENTS.

G.R. No. L-42738. August 22, 1978

Ponente: MUÑOZ PALMA, J.

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MUÑOZ PALMA, J.:

Mariano Limos seeks a review of the decision of the defunct Workmen' s Compensation Commission dated January 23, 1976, which set aside an award for disability compensation granted in his favor on October 23, 1975 by Acting Referee Conrado G. Sagun of Regional Office No. 4, Department of Labor, the dispositive portion of which reads:

"WHEREFORE, a decision is hereby rendered, ordering the respondent, Fernandez Hermanos, Inc.:

"1) To pay the claimant the amount of SIX THOUSAND PESOS (P6,000.00) as maximum compensation benefit;

"2) To pay claimant the amount of ONE THOUSAND THREE HUNDRED TWENTY-NINE PESOS (P1,329.00) as reimbursement of medical expenses or a total of SEVEN THOUSAND THREE HUNDRED TWENTY-NINE PESOS (P7,329.00);

"3) To pay Atty. Emerito de la Cueva the amount of P300.00 as attorney's fee; and

"4) To pay the Workmen' s Compensation Fund, the amount of SIXTY-ONE PESOS (P61.00) as Administrative Fee, pursuant to Section 55 of the Act, as amended." (p. 51, rollo)

The facts as found by the Referee and reiterated in the decision on appeal follow:

"The records of this case disclose that claimant was employed by the respondent on October 16, 1952 as Manager-Veterinarian of Hacienda Dalupiri, Dalupiri Island, Calayan, Cagayan owned by the Fernandez Hermanos, Inc. His starting salary was P350.00 with free subsistence, quarters, light, water, free services of a maid and laundrywoman, free transportation of his entire family from Palawan to Manila; from Manila to Dalupiri and return; with an indefinite tenure of office and other fringe benefits. On June 2, 1961 after a chest x-ray examination he was found to be suffering from PTB, moderately advanced, active (bilateral). He was

treated by Dr. A. Capili and by Dr. Jose V. Valte, Jr., Company Physician. On June 20, 1961 he went back to Dalupiri. On July 24, 1961 upon instruction of Dr. Valte he returned to Manila and another chest x-ray examination was conducted. Then a follow-up x-ray examination was done on September 21, 1961 and this time the result showed regressive lesion development and absorption of densities indicative of favorable response to treatment and good signs for eventual recovery. His last chest x-ray examination while still connected with the respondent was taken on August 12, 1963 which showed Pulmonary tuberculosis, moderately advanced, fibrocaseous, bilateral. The left lung lesions are active and of recent origin. Treatment was continued and in spite of his illness he continued working. Effective October 1, 1972, after rendering 20 years of continuous service for the respondent he resigned from the company and was paid retirement pay in the sum of P15,000.00. His latest salary was P1,350.00 per month. On March 31, 1975 he filed the present claim for disability benefits and reimbursement of medical expenses for the illness which he contracted on June 2, 1961 and by reason of which he stopped working on September 30, 1972. He also submitted in support of his claim a chest x-ray report taken on May 20, 1974 which shows that he still has PTB." (pp. 57-58, *ibid.*)

Notwithstanding the above findings, respondent Commission absolved the employer, Fernandez Hermanos, from any liability for disability compensation on the ground that in spite of the illness contracted by petitioner the latter continued to work, received his salary, was not disabled from labor, and that if he stopped working for Fernandez Hermanos it was due to his voluntary resignation after twenty years of continuous service and not by reason of any illness, as shown by the fact that a chest x-ray submitted by petitioner which indicated that he had pulmonary tuberculosis, was taken only two years after his resignation.[1]

We cannot but disagree with the foregoing conclusions of respondent Commission.

The evidence submitted by petitioner indisputably show that at the time he was employed on October 16, 1952 by Fernandez Hermanos he was in the best of health and physically fit to take over the duties of manager of the company's hacienda in Dalupiri Island, province of Cagayan. The volume and nature of his work as manager of a 6,000-hectare property and at the same time veterinarian of the ranch devoted to "raising race horses and cattle"[2] in that far-flung and isolated island began however to affect petitioner's bodily condition, and after eight years on the job he felt the beginnings of debility and easy fatigue. In 1961 he was sent to Manila for a physical and medical check-up and the laboratory reports exposed the fact that petitioner was suffering from "PTB, moderately advanced, active bilateral" which needed immediate medication and regular chest x-rays every three months. This was known to the company's physician.[3] The demands of petitioner's work in the hacienda kept him in the island; however, another chest x-ray was taken in Manila in 1963 which revealed that his pulmonary tuberculosis was still active. Limos returned to Dalupiri as there was no other competent person to handle the management of the hacienda and the ranch. Yes, faithfully and as best as his failing health permitted, Limos stayed on the job. On September 1, 1972, a letter was signed by Limos addressed to Mr. Carlos P. Fernandez in the following tenor:

"September 1, 1972

"Mr. Carlos P. Fernandez
Managing Director,
Fernandez Hermanos, Inc.
205 Juan Luna St., Manila

Dear Sir:

I have the honor to tender my resignation from the services of Fernandez Hermanos, Inc. due to my desire to stay in Manila with my family, having been assigned in Dalupiri for twenty (20) years in the service of this Company. I feel that I have served the Company enough, and that I would like to be retired as I am needed by my family having stayed away from them for such a long time.

Very truly yours,

MARIANO A. LIMOS"

(p. 27, *ibid.*)

With the foregoing letter of resignation of petitioner plus the fact that the latter was paid P15,000.00 as separation or retirement pay[4] by reason of which, petitioner Limos signed a "Release of Claim", respondent employer submits that it can no longer be held liable to petitioner for any disability compensation arising from his alleged pulmonary tuberculosis contracted in the course of employment.

The document referred to by Fernandez Hermanos reads:

"RELEASE OF CLAIM

"KNOW ALL MEN BY THESE PRESENTS:

That I, MARIANO A. LIMOS, of legal age, married, Filipino and a resident of No. 116 15th Avenue, Quezon City, for and in consideration of the sum of FIFTEEN THOUSAND PESOS ONLY (P15,000.00), Philippine Currency, in hand paid to me by FERNANDEZ HERMANOS, INC., a Philippine Corporation with offices at 205 Juan Luna Street, Manila, the receipt whereof is hereby acknowledged to my entire satisfaction have RELEASED, REMISED and DISCHARGED and by these presents, do hereby RELEASE, REMISE and DISCHARGE for myself, heirs, executors, administrators and assigns, said FERNANDEZ HERMANOS, INC., of and from any and all manner of action or actions, cause or causes of actions, debts, dues, sums of money, claims and/or demands, whatsoever which against said FERNANDEZ HERMANOS, INC., I now have or which I, my heirs, executors, administrators and assigns, hereafter may have, by reason of or from any other cause or causes arising out of or as a consequence of my employment with said FERNANDEZ HERMANOS, INC.

"IN WITNESS WHEREOF, I have hereunto set my hand on this day ____ of October, 1972 at Manila, Philippines.

MARIANO A. LIMOS"

(p. 29, *ibid.*)

That the contents of the letter of September 1, 1972, did not reflect the real cause of the termination of the employment of petitioner is obvious to Us. The stark reality was that twenty years of hard labor in a 6,000-hectare ranch and a serious ailment eating up both his lungs had converted the healthy Mariano Limos of 1952 to a

physical wreck in 1972. Even if petitioner voluntarily resigned, the truth was that his pulmonary tuberculosis was the major factor which precipitated that resignation, and in fact his ailment was still uncured when his latest chest x-ray was taken in 1974. Hence, it was preposterous for the Commission to conclude that petitioner's pulmonary tuberculosis, advanced as it was in 1974, occurred only after the latter's resignation from the company, thereby totally ignoring the undisputed history of petitioner's sickness known all along to the company's physician, Dr. Jose Valte, Jr.

The key question which now comes up is the effect of the "Release of Claim" signed by petitioner-claimant.

We agree with referee Sagun that the aforesaid document which We quoted earlier, is worded "in broad terms", from which We deduce that the P15,000.00 paid to Mariano Limos was given as separation pay or in the form of gratuity for his twenty years of faithful service. In fact, respondent employer offered as its Exh. 3, a letter of petitioner wherein the P15,000.00 paid to him was mentioned as a "retirement pay." (see p. 28, *ibid.*) The document "Release of Claim" did not expressly include compensation for any illness petitioner may have contracted in the course of employment and the disability arising therefrom; in the absence of such a provision, the employer cannot now evade liability for compensation due to the employee under the Workmen's Compensation Act which was the law in force at the time.

Section 7 of the Workmen's Compensation Act prohibits or declares as null and void any contract, regulation or device of any sort intended to exempt the employer from all or part of the liability provided for in the Act. The reason for this is that protection of the welfare and interest of the workman is a matter of public policy, and labor and capital, even by mutual agreement, are not allowed to circumvent legislative measures designed to grant certain benefits to the workingman.

In the early case of *Murillo vs. Mendoza*, 1938, this Court through Justice Imperial declared that the policy behind the Workmen's Compensation Act is to secure the workmen and their dependents against becoming objects of charity,[5] and citing that case, in *National Mirror Factory vs. Vda. de Anure, et al.*, 1969, this Court, through then Justice, now Chief Justice Fred Ruiz Castro, disregarded an affidavit of the widow of a deceased employee of the petitioner National Mirror Factory wherein she stated, *inter alia*, that her husband "died of natural causes not connected with work" and that she had "no claim and will not entertain any claim of whatever nature against" the employer, and held such a document void because its object was clearly to exempt the employer from its obligation to pay compensation under the Workmen's Compensation Act.[6]

A fortiori, in the instant case now before Us, Limos' supposed "voluntary resignation" from the company simply because he wanted to join his family in Manila, and his "release" of the employer from "any and all manner of action sums of money, claims and/or demands whatsoever by reason of or from any other cause or causes arising out of or as a consequence of (my) employment...." can be given no valid effect for purposes of discharging the employer's liability under the Workmen's Compensation Act, in the face of clear and indisputable evidence of an ailment incurred by petitioner-claimant in the course and by reason of his twenty years employment resulting in total or partial disability from his customary labor, even if temporary in nature, for who would take into one's services a tuberculous man?

The argument of respondent employer that the release of claim executed by petitioner is a public document and is to be sustained in full force and effect in the absence of proof of its falsity or nullity,[7] is without force in the instant case. A document, agreement, release or waiver of claim for compensation executed by an employee cannot be viewed as an ordinary simple contract for it is one imbued with public interest. Any construction to be given to an agreement or document which would in effect approve employee's contracting out of the full protection of the Workmen's Compensation Act is to be avoided as being contrary to public policy.[8]

PREMISES CONSIDERED, We set aside the decision of respondent Commission and reinstate the Referee's award with the following addition (1) respondent employer shall furnish claimant Mariano Limos with such services and supplies as the latter's disability and process of recovery from his pulmonary tuberculosis may require, and (2) it shall pay additional attorney's fees by reason of this appeal in the sum of P300.00. With costs against respondent employer.

SO ORDERED.

Teehankee, (Chairman), Makasiar, Fernandez, and Guerrero, JJ., concur.

[1] p. 59, rollo

[2] Exh. 1, p. 37, *ibid.*

[3] Exh. 4, p. 40, *ibid.*

[4] p. 28, *ibid.*

[5] 66 Phil. 689, 700

[6] 27 SCRA 719, 725

[7] p. 12, Memorandum of respondent Fernandez Hermanos, Inc.

[8] See *Carpenter v. Globe Indemnity Co.*, 14 A2d 235, 219 ALR 410; 82 Am. Jur. 2d, 227

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