

FRANCISCO CAÑEJA, PETITIONER, VS. EMPLOYEES' COMPENSATION COMMISSION AND GOVERNMENT SERVICE INSURANCE SYSTEM, RESPONDENTS.

G.R. No. L-46992. March 31, 1980

Ponente: MAKASIAR, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/8ad8c98faa47/>

MAKASIAR, J.:

Petition for review on certiorari of the decision dated April 21, 1977 of the respondent Employees' Compensation Commission in ECC Case No. 0325, affirming the decision of the respondent GSIS, which denied petitioner's claim for compensation under P.D. No. 626, as amended.

Petitioner Francisco Cañeja entered government service as a classroom teacher with assignment at the province of Leyte in the Department (now Ministry) of Education and Culture on July 5, 1950 (Service Record, p. 1, rec.). His service has had several interruptions between the period from November 1959 to July 1974 due to illness. His medical record reveals that he was confined for schizophrenia at the National Mental Hospital during the periods from December 6, 1961 to February 15, 1962, from July 9, 1966 to January 10, 1967, and from January 2, 1973 to May 15, 1973 (p. 6, ECC rec.), and had been under treatment for the same illness as an out-patient for the periods from July 30 to November 11, 1968, and on May 2, 1974, August 26, 1974, December 22, 1975, April 26, 1976 and June 8, 1976 (p. 5, ECC rec.). Because of his illness, he is out of work and is now destitute (p. 57, rec.), although the actual date of his retirement is not clear from the records. (The following discrepancies appear in his retirement date: according to the petition, the claimant was "not able to return to work on the first school day of January 1973" [p. 19, rec.]. This was apparently based on the Employer's Report of Injury/Illness [p. 3, ECC rec.], which pertains to the illness of December, 1972 and prevented the claimant from reporting to duty on the following school day of 1973, as he was already hospitalized per service record. There are, however, indications that petitioner served beyond said date, as borne out by the following: (a) the Service Record [p. 1, ECC rec.] shows service up to July 28, 1974. Possibly, there is service even beyond this date which cannot, however, be checked because the second page of the Service Record is not in the records; (b) the Employer's Certification [p. 2, ECC rec.] indicates that claimant returned to work on October 1, 1975 to May 11, 1975 (?); and (c) the Leave of Absence application [undated CS Form 41, p. 4, ECC rec.] shows that petitioner was absent "from June 1, 1975 up to the present 1975").

On July 30, 1976, petitioner filed a claim (p. 2, ECC rec.) for income benefits under P.D. 626, as amended, with the respondent GSIS, which the latter denied on August 4, 1976 (p. 7, ECC rec.), on the ground that petitioner's illness, schizophrenia, is not an occupational disease. On August 24, 1976, he filed his letter dated August 18, 1976 (p. 9, ECC rec.), requesting for a reconsideration of such denial, which request was again denied by the respondent GSIS on December 19, 1976 (p. 10, ECC rec.). On January 3, 1977, respondent GSIS forwarded the entire records of the case to the respondent Commission (p. 11, ECC rec.).

On April 21, 1977, respondent Commission rendered the decision under review (pp. 13-14, ECC rec.), affirming

the System's denial of, and dismissing, the instant claim.

It appears that although the claim was filed on July 30, 1976 or after the effectivity of the New Labor Code, the illness on which it is based was contracted long before January 1, 1975.

The said respondent, however, argues that:

"Unfortunately for the petitioner, even granting that his claim is cognizable by the Workmen's Compensation Act (Act 3428), his cause of action has already prescribed."

This contention is amplified in that under Act 292 of the Labor Code, this claim should have been filed not later than March 31, 1975 (p. 50, rec.).

Since it is admitted that all the events occurred prior to the effectivity of the New Labor Code, all the provisions of the Workmen's Compensation Act, as amended, as well as the decisions affirming (1) the presumption of compensability, or presumption of work-connection or work-aggravation, (2) waiver of non-jurisdictional defenses due to non-controversion, and (3) the ten-year prescriptive period still apply to the case at bar (*Landicho vs. WCC, et al.*, G.R. No. L-45996, March 26, 1979, 89 SCRA 154).

Moreover, there is evidence to indicate that claimant's illness was work-connected (p. 2, rec.) and may prosper even under the New Labor Code as well as under the Workmen's Compensation Act, as amended.

The records indubitably show that the petitioner, while employed as a classroom teacher, was on sick leave from November 16, 1959 to December 12, 1959 and on an extended sick leave from December 13, 1959 to November 14, 1960, and that he was dropped from the service for failure to return on November 15, 1960. This jibes with petitioner's allegation that he contracted schizophrenia paranoid while serving as a poll clerk in the elections of 1959 when a gunshot in his voting precinct caused his nervous breakdown (p. 2, rec.). His medical certificate (p. 6, ECC rec.) attests to the fact that it was for the same illness that he was hospitalized for long periods between 1961 and 1973, during which time he was in and out of the service (p. 1, ECC rec.). His illness in December, 1972 which occurred while he was in the service and caused his long hospitalization in 1973 was the only one reported by his employer (pp. 2-3, ECC rec.), and which was used as basis for his claim for compensation. In any case, whether his claim was based on the first illness in 1959 or the last hospitalization in 1973, it is not disputed that his illness supervened in the course of employment and the same was never controverted by his employer. Hence, under the Workmen's Compensation Act, petitioner is freed from the burden of proving that his illness or injury was caused or aggravated by the nature of his work. In fact, the cause of his ailment is immaterial; what is important is that it occurred or was aggravated in the course of employment and disabled the workman from pursuing his ordinary occupation (*G. B. Francisco, Inc. vs. WCC*, 87 SCRA 23, 30). The presumption of compensability had already set in "x x x Because once an illness, subject matter of a compensation claim is shown to have supervened in the course of employment, there arises in favor of the claimant the rebuttable presumption that the said illness either arose out of or at least was aggravated by, the nature of claimant's employment; and consequently, the burden to show by substantial evidence the contrary lies with the employer. And the ultimate result of that principle is that the presumption, rebuttable at its inception, becomes conclusive upon the failure of the respondent employer to destroy the same" (*Enriquez vs. WCC, et al.*, G.R. No. L-42640, Sept. 28, 1979).

Also devoid of merit is the allegation of respondent Commission that the action has already prescribed, for WE have consistently ruled that compensation under the Workmen's Compensation Act, as amended, is a liability vested by statute which prescribes in ten (10) years pursuant to Act 1144 (2) of the Civil Code (*G.B. Francisco vs. WCC, supra*; *Ybañez vs. WCC*, 77 SCRA 501; *Vallo vs. WCC*, 73 SCRA 623). And this 10-year period commences from the time the employee becomes disabled to pursue his occupation (*Leonardo vs. WCC*, 88 SCRA 59, 63; *Superior Concrete Products, Inc. vs. WCC, et al.*, 82 SCRA 270, 278).

Hence, from the facts adduced above, this case is well within the 10-year prescriptive period, so much so that the disabling illness of 1972 to 1973 could even be treated as a separate liability, since it came after petitioner's reinstatement to the service in 1969. This theory is bolstered by the doctrine enunciated in *Earnshaw Docks, et al. vs. Sortijas*, 66 SCRA 573, where WE ruled:

"To OUR mind, when petitioner re-employed claimant on July 19, 1964, it did so realizing the risk of possible liability it might incur for disability compensation in favor of claimant because petitioner had knowledge that claimant as their employee was disabled because of his previous disease of tuberculosis incurred while he was working with his employer, that even if claimant appeared to have recovered from his previous disease there was the risk that said disease might recur. If notwithstanding said know-ledge of the risk involved in the re-employment of claimant, the petitioner nevertheless re-employed him, then petitioner must be ready to bear the burden of a possible disability for disability compensation upon the happening of second disability."

WHEREFORE, THE DECISION DATED APRIL 21, 1977 OF THE RESPONDENT EMPLOYEES' COMPENSATION COMMISSION IS HEREBY SET ASIDE AND THE GOVERNMENT SERVICE INSURANCE SYSTEM IS HEREBY ORDERED

- TO PAY HEREIN PETITIONER THE SUM OF SIX THOUSAND (P6,000.00) PESOS AS DISABILITY COMPENSATION BENEFITS;
- TO REIMBURSE PETITIONERS MEDICAL EXPENSES DULY SUPPORTED BY RECEIPTS;
- TO PAY PETITIONER SIX HUNDRED (P600.00) PESOS AS ATTORNEY'S FEES; AND
- TO PAY ADMINISTRATIVE COSTS.**

SO ORDERED.

Fernandez, Guerrero, and De Castro, concur.

Melencio-Herrera, J., concurs, except for that portion in page 3 which states that the claim may prosper even under the New Labor Code.

Teehankee, Acting C.J., in the result.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.