

PEDRO ESGUERRA, PETITIONER, VS. WORKMEN'S COMPENSATION COMMISSION AND GOODYEAR STEEL PIPE CORPORATION, RESPONDENTS.

G.R. No. L-43082. April 09, 1985

Ponente: GUTIERREZ, JR., J.

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GUTIERREZ, JR., J.:

This is a petition for review of the decision of the Workmen's Compensation Commission reversing the decision of the Acting Referee of the Department of Labor, Manila and revoking the award of P6,000.00 disability compensation granted by said officer.

The facts of the case are stated in the appealed decision as follows:

"Pedro Esguerra was employed as a pipe cutter by the respondent corporation with a daily wage of P9.25 working Six (6) days a week. He started working in the said corporation sometime in 1964. Seven years later, or on July 16, 1971, he stopped working.

"On September 27, 1971, he filed with Regional Office No. 4, Manila, a notice and claim for disability compensation against the respondent. A notice relative to the claim was sent to the Manager of the respondent on September 29, 1971. On October 22, 1971, the respondent wrote the Chief of the Workmen's Compensation Unit, Regional Office No. 4, Manila, stating that it is controverting claimant's right to compensation; and that the claimant was not disabled for labor on July 16, 1971 but that he voluntarily resigned on that date. Later, or on October 14, 1971, the claimant also filed with the same regional office a similar claim against Goodwill Steel Pipe Corporation.

"On May 28, 1974, Acting Chief Referee issued an Award ordering Goodwill Steel Pipe Corporation to pay the claimant disability benefits under Section 14 of the Workmen's Compensation Act, as amended. On July 31, 1974, the respondent filed a motion for reconsideration alleging, inter alia, that there is no business entity named Goodwill Steel Pipe Corporation. Despite such motion for reconsideration, the Acting Chief Referee wrote the General Manager of 'Goodwill Steel Pipe Corporation' on October 9, 1974 stating that the award of May 28, 1974 has already become final and executory.

On December 14, 1974, claimant, thru his counsel Atty. Juan Moreno, filed an EX PARTE MANIFESTATION praying that correction be made by making Goodyear Steel Pipe Corporation as the respondent in the instant case. On the basis of such manifestation, the claim previously filed against the respondent corporation was set for conference on May 29, 1975 by the Acting Referee. The scheduled conference was postponed several times due to the non-appearance of the claimant or his counsel.

"On September 26, 1975, the claimant filed a COMPLIANCE submitting the sworn statements of Rogelio Arevalo, co-worker of the claimant, and of Marciana L. Esguerra, mother of the claimant, allegedly due to the 'directive' of the regional office below. The respondent was not sent a copy of the alleged 'directive', although earlier or on September 12, 1975, it had filed a MOTION TO DISMISS on the ground of claimant's lack of interest or of lack of merit of the instant claim. Then on October 30, 1975, the Acting Referee rendered the

decision now under review."

The Acting Referee held:

"It appearing that the submission of the case by means of affidavits by the claimant is in accordance with the Department Order No. 3, dated July 17, 1974, by the Secretary of Labor, enjoining private parties in claims such as this case at bar to submit affidavits only in lieu of testimonial evidence, which claimant's affidavit had been furnished the respondent, but the latter did not file its counter affidavit, maintaining that there is a motion to dismiss to be resolved. This Office considers this case submitted for decision on the evidence presented.

"In the affidavit for the claimant's side it was shown that the claimant is now confined at Mandaluyong, Mental Hospital for an ailment of Schizophrenia, Moderately Advanced, which would be termed as a mental ailment, and it was established by the claimant that his work while employed was as cutter which was strenuous and performed under conditions conducive to the development and aggravation of a mental ailment; and since 1968, the claimant complained of headache, sore eyes, because the machine with which he was working produced a deafening sound and many sparkles in the process of cutting the steel pipes which sound was so deafening even if one shouts at the top of his voice he could not be heard, and for which reason, the claimant used to complain of headaches and sore eyes, and he went on sick leaves due to his recurring illness, and therefore, since he was physically healthy at the start of his employment and his ailment supervened in the course of his employment and, therefore, the work-connection could be presumed; the ailment of the claimant would be work-connected. There being no contrary evidence tending to destroy or overcome the presumption of work-connection of the ailment, the compensability of the claim is, and should therefore be upheld. x x x"

Reversing the above decision, the Workmen's Compensation Commission, en banc, made the following pronouncement on January 28, 1976:

"We reverse the decision. A careful perusal of the entire records of the case reveals that there is no medical record or evidence showing that the claimant was disabled for labor on July 16, 1971 due to mental ailment (schizophrenia). While it is true that the burden to disconnect, by substantial evidence, the illness from the employment is laid by the statute at the door of the employer, this doctrine is inapplicable in the case at bar. In order that such principle can be invoked, a preliminary link between the illness and the employment must first be shown. Such a situation does not obtain in this case. Hence, the presumption that the claim is compensable cannot attach. (Iloilo Dock and Engineering Co. v. Irene Pablo, et al., L-26341, November 27, 1968).

"It may be stated in passing that the Acting Referee committed a reversible error in adjudicating the instant claim in favor of the claimant merely on the basis of affidavits. This is so, because it is quite dangerous and unfair to the employer to accord unqualified credence to the self-serving statement of a claimant which is entirely unsupported by medical record of treatment and confinement."

The petitioner raises procedural points in his petition. He argues that the decision of the Acting Referee dated October 30, 1975 was already final and executory and, therefore, the respondent Workmen's Compensation Commission had no more jurisdiction over the case. Petitioner alleges that the respondent Goodyear Steel Pipe Corporation never filed a motion for reconsideration, and that if ever one was filed, the petitioner was not furnished a copy thereof. Petitioner further contends that the respondent Commission acted with grave abuse of discretion when it ordered the petitioner to appeal directly to this Court thus depriving him of his right to file a motion for reconsideration with the Workmen's Compensation Commission. Lastly, the petitioner claims that once the injury is established to have supervened during the worker's employment, the legal presumption is that the claim comes within the compensatory provision of the Workmen's Compensation Act.

Sometime after it filed its comment, the respondent corporation filed a petition (actually a motion) to cite in contempt Salvador Guerrero and Virginia C. Moreno, a secretary in the Moreno Law Office and the representative of petitioner Pedro Esguerra. The respondent alleged that petitioner's false contentions that the Acting Referee's

decision had become final and executory and that petitioner was never furnished a copy of the respondent corporation's motion for reconsideration and/or review which contentions were based on affidavits drawn by the two persons previously named, clearly constitute constructive contempt under Section 3, Rule 71 of the Rules of Court.

We deferred action on the motion for contempt until after the decision on the merits of the petition.

We are constrained to affirm the decision of the Workmen's Compensation Commission.

Petitioner's contention that the decision of the Acting Referee dated October 30, 1975 had become final and executory must fail. The record shows that private respondent Goodyear Steel Pipe Corporation filed on November 19, 1975 the required Petition for Reconsideration and/or Review dated November 15, 1975. As shown by the xerox copy of said petition, it was received by petitioner's counsel on November 19, 1975 and bears the stamp of his law office. It would, therefore, be false and misleading for petitioner to claim that he was not furnished a copy of said petition and thus was not aware of any bar to the finality of the decision rendered by the Acting Referee.

As to the petitioner's contention that the respondent Commission acted with grave abuse of discretion when it ordered him to appeal directly to the Supreme Court, it must be noted that this case was decided after the phasing out of the Workmen's Compensation Commission had commenced.

Under Letter of Instruction No. 190, dated June 3, 1974, the Secretary of Labor was instructed to effect the orderly abolition of the workmen's compensation system by taking "such remedial steps as may be necessary to expedite the determination and/or settlement under such terms as he may consider fair and just, of the backlog of compensation cases pending before the workmen's compensation units in the regional offices of the Department of Labor as well as in the Workmen's Compensation Commission to the end that said backlog may be liquidated by the end of the transition period."

Pursuant to this mandate the Secretary of Labor on July 17, 1974 issued Department Order No. 3, Series of 1974 providing, among others, the following:

"Section 4. Period for Appeal; finality of decision. - Any Award, Order or Decision on the merits of the Unit shall become final and executory if no appeal is taken within fifteen (15) days from notice.

"The appeal shall be in writing and shall specify in detail the particular errors in, or objections to, the Award, Order or Decision.

"Where the appeal does not comply with the foregoing requirements or the issues raised do not go into the merits of the case, it shall be immediately denied; other wise, the appeal, together with the records of the case, shall be immediately forwarded to the Workmen's Compensation Commission for review.

"No extension of time to file an appeal may be granted.

"Section 5. Decision by the Commission en banc; when final.- Within ten (10) days from receipt of an appealed case, the Commission en banc shall review and decide said case. Two affirmative votes shall decide the case.

"Any Decision or Order on the merits of the Commission en banc shall become final and executory if no appeal is taken to the Supreme Court within ten (10) days from notice in accordance with the law."

Thus, we find that the respondent Workmen's Compensation Commission was merely implementing the rules for a speedy and orderly transition to a new system when it immediately reviewed the case en banc and directed petitioner to appeal to this Court without recourse to any motion for reconsideration. This procedure did not in

any way deprive petitioner of his day in court. There is no showing that the case was not given its proper course.

Finally, we come to the petitioner's contention that the claim comes within the compensatory provision of the Workmen's Compensation Act. We sustain the finding of the respondent commission that the presumption of compensability can not attach in this case because of claimant's failure to show a preliminary link between his illness and his employment.

From the evidence submitted by the claimant, it is alleged that this illness manifested itself in 1968 when according to his co-employee he was suffering from severe headaches. However, the disability occurred 3 years later or in 1971. In this case, assuming that the symptoms of schizophrenia appeared in 1968, yet the mere fact that it developed gradually and imperceptibly over a period of 3 years, constitutes the same illness as idiopathic. In *Vergara v. Pampanga Bus Co., Inc.* (62 Phil. 820), this Court held that: "A general idiopathic disease is not within the compensatory provisions of the Workmen's Compensation Act. An idiopathic disease in the sense in which the term is used in the discussion of the cases is one which develops almost imperceptibly and, while it may be attributable to external conditions, is also dependent in part on conditions inherent in the individual. Disability resulting from pre-existing disease and not from the accident or injury and having only a casual connection between exposure and illness is not compensable."

We agree with the respondent Commission's finding that "it is quite dangerous and unfair to the employer to accord unqualified credence to the self-serving statement of a claimant which is entirely unsupported by medical record of treatment and confinement" especially in a case involving mental ailments.

In the case of *Magalona and Co. v. Workmen's Compensation Commission, et al.* (101 Phil. 439) where the claimant's psychosis developed after an eye injury was sustained in the course of his employment, we held that: "x x x Short of any showing by evidence that claimant's injury resulted from his eye injury, many other factors may be surmised to have intervened not necessarily connected with the eye injury, which could have induced the psychosis. As a matter of fact, the authorities hold the view that insanity which comes about after an injury cannot necessarily be presumed to be causally linked. The legal causation must still be established and proved."

Coming now to private respondent's motion to cite in contempt the two employees of the Moreno Law Office, although we find their acts improper and unbecoming we nevertheless decline to grant the motion. In repeated decisions, we have ruled that the power to punish for contempt is to be exercised with restraint and judiciousness. It should be exercised on the preservative and not the vindictive principle; with the corrective rather than the retaliatory idea of punishment. Only occasionally should a court invoke its inherent power in order to retain that respect without which the administration of justice must falter or fail. Such power being drastic and extraordinary in its nature should not be resorted to unless necessary in the interest of justice. (*Villavicencio v. Lukban*, 39 Phil. 778; *People v. Marcos*, 70 Phil. 468; *Yangson v. Salandanan*, 68 SCRA 42; *Fontelera v. Amores*, 70 SCRA 37; and *Blancaflor v. Laya*, 82 SCRA 148).

WHEREFORE, the assailed decision of the Workmen's Compensation Commission is AFFIRMED. No costs.

SO ORDERED.

Teehankee, (Chairman), Melencio-Herrera, Plana, Relova, De La Fuente, and Alampay, JJ., concur.

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