

**B.F. GOODRICH PHILIPPINES, INC., PETITIONER, VS.
WORKMEN'S COMPENSATION COMMISSION, AND LEANDRO
M. CASTRO, RESPONDENTS.**

G.R. No. L-38569. March 28, 1988

Ponente: BIDIN, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/8c428b3c5c3e/>

BIDIN, J.:

This is a petition for review on certiorari of the Resolution of the Workmen's Compensation Commission dated March 29, 1974 dismissing petitioner's appeal on the ground that the same should have been filed with the Workmen's Compensation Unit, Regional Office No. 4, Department of Labor, Manila. The dispositive portion of the aforesaid resolution reads:

"After a careful review of the record of the case and consideration of the points by the respondent, the Commission En Banc failed to find any valid reason or sufficient justification to alter, modify, much less reverse the aforestated order.

"WHEREFORE, for lack of merit, the instant motion should be as it is hereby, DISMISSED.

SO ORDERED."

The factual background of the case is as follows:

This case stemmed from a claim for disability benefits under Workmen's Compensation Act as amended by Republic Act No. 4119 filed by private respondent Leandro M. Castro against petitioner company for pulmonary tuberculosis alleged to have been contracted in the course of his employment resulting in disability for labor on March 18, 1968 onwards.

Thus, on April 19, 1968, private respondent filed a claim for Workmen's Compensation with the Workmen's Compensation Section, docketed as W.C. Case No. RO 4-3894.

On September 23, 1968, the chief of the Section of Workmen's Compensation requested the petitioner to file W.C. Claim Forms 3 and 4 and W.C. Form No. 5, Employer's Supplementary Report of Accident or Sickness.

Subsequently, petitioner filed W.C. claim forms 3 and 4 on October 2, 1968. A Stipulation of Facts, Agreement and Release was entered into between the private respondent as claimant and his ex-officio counsel, Atty. Manuel Asuncion of the Department of Labor, Quezon City, Sub Regional Office No. 4, and the petitioner as respondent through its counsel on October 25, 1968. In the aforestated stipulation, the party agreed on the following:

- The Claimant was retired from the service of the Company on June 11, 1968, with average weekly wages of P70.50.
- The Claimant accepts the medical findings of the Respondent's physician that the Claimant, at the time of his retirement, was fully cured of his pulmonary tuberculosis, minimal; that, prior thereto, he had been totally disabled for labor due to the said illness, from March 20 to May 27, 1968; and that, as of now, he is not

suffering from any other illness or any permanent disability whatsoever.

- The Claimant hereby acknowledges receipt of his full workmen's compensation, and acknowledges that all expenses for medical services, appliances and supplies defined in Section 13 of the Workmen's Compensation Act, have been paid by the Respondent.
- The Claimant declares that he has no further claims or actions of whatever nature against the Respondent arising from his employment or relationship with the latter, and, therefore, discharged and released the said Respondent from any and all of its obligations to him.
- The Claimant and the Respondent respectfully pray that this Stipulation and Agreement be approved and Decision be rendered in the abovementioned case with prejudice.

On same date, private respondent received from the petitioner the sum of P1,327.35 in full payment of his Workmen's Compensation claim in RO 4 W.C. Case No. 951 (QC SRC).

On October 28, 1968, a decision was rendered by the hearing officer and acting referee of the Workmen's Compensation Section whereby the agreement was approved. The dispositive portion of said decision reads as follows:

"WHEREFORE, judgment is hereby rendered in accordance with the terms and conditions set forth in the foregoing compromise agreement and release. Respondent is ordered to pay direct to the office the sum of P14.00 as fee pursuant to Section 35 of the Act as amended.

SO ORDERED."

On February 27, 1969, the private respondent filed another claim for Workmen's Compensation on the basis of the same illness, docketed as RO 4-W.C. No. 8805, (983). A motion to dismiss was filed by herein petitioner on the ground of res judicata. On February 27, 1969, the Department of Labor Regional Office 4 thru its Acting Referee, Vivencio Escarcha, dismissed the aforementioned claim RO 4 W.C. No. 8805 (983) on the ground of res judicata. The order further stated that the aforesaid case was heard and decided on its merits by Acting Referee Pedro P. Pelaez of the defunct Quezon City Sub-Regional Office in which decision the Acting Referee held that the sum of P1,377.35 paid by herein petitioners to the private respondent as disability compensation to have been computed in accordance with law and not contrary to morals or public policy.

On November 27, 1973, private respondent filed his third claim for Workmen's Compensation on the basis of the same illness docketed as RO W.C. Case No. 147215 with the Department of Labor, Regional Office No. 4 Workmen's Compensation Section.

On January 7, 1974, the Acting Chief Referee, Atty. Ernesto A. Cruz, of the Department of Labor, Regional Office No. 4 Workmen's Compensation Section, issued an award in favor of private respondent Leandro M. Castro, ordering petitioner to pay the claimant, the sum of six thousand pesos (P6,000.00) as compensation and the Workmen's Compensation Fund, the amount of P61.00 as administrative fee pursuant to Section 55 of the Act as amended. However, the award was rendered without giving the petitioner an opportunity to be heard in a public hearing, thereby barring it from presenting its evidence.

Accordingly on January 17, 1974, petitioner appealed the said award to the Workmen's Compensation Commission praying that the same be reversed and rendered null and void and aforesaid Claim No. RO 4 W.C. Case No. 147215 be dismissed for lack of jurisdiction. However, the aforementioned appeal was dismissed by the Commission in an order dated February 18, 1974 on the ground that the appeal should have been filed with the Workmen's Compensation Unit, Regional Office No. 4, Department of Labor, pursuant to Section 1, Rule 19 of the Workmen's Compensation Commission which reads:

"A party who is not satisfied with the decision or order on the merit of the Hearing Officer or Referee may, within fifteen (15) days from receipt of notice thereof, file with the Hearing Officer or Referee having control of the case a petition for the review or motion for reconsideration of said decision or order."

On March 5, 1974, petitioner moved for reconsideration thereof but the said motion was dismissed by the Work-men's Compensation Commission En Banc, in a resolution dated March 29, 1974.

Hence, this petition.

In a resolution of July 29, 1974, this Court resolved to give due course to the petition.

In its brief, petitioner raised the following assignment of errors:

I

"THE WORKMEN'S COMPENSATION SECTION OF THE DEPARTMENT OF LABOR, REGION NO. 4, MANILA, THROUGH ITS CHIEF, ERRED IN PROMULGATING A WORKMEN'S COMPENSATION AWARD ON JANUARY 7, 1974 IN RO-W.C. CASE NO. 1457215 WITHOUT JURISDICTION, WITH GRAVE ABUSE OF DISCRETION TANTAMOUNT TO LACK OF JURISDICTION, AND WITHOUT DUE PROCESS OF LAW.

II

THE WORKMEN'S COMPENSATION COMMISSION ERRED IN AFFIRMING THE DISPUTED AWARD WHICH MAY BE ATTACKED AT ANY TIME DIRECTLY OR COLLATE-RALLY IN SPIITE OF THE FACT THAT THE SAID AWARD WAS VOID AB INITIO AS ALLEGED ABOVE."

The main thrust of this petition is on the issue of res judicata and its applicability to workmen's compensation cases.

The petitioner alleged that the respondent Commis-sion acted with grave abuse of discretion in dismissing its appeal from the decision in RO 4 W.C. Case No. 147215 which awarded to the respondent the benefits provided for under the Workmen's Compensation Act. It claimed that it was not given an opportunity to be heard and hence prevented from presenting evidence that the disputed claim had been the subject of two valid final judgments. As above-stated, one is in RO 4-WC Case No. 951 (3894) dated October 28, 1968, based on the parties' Compromise Agreement and Release and the other in RO 4-W.C. Case No. 8805 dated March 31, 1969 dismissing the claim on the basis of res judicata involving the same parties, cause of action, issues and facts.

For res judicata to apply, the following elements must be present: (a) the former judgment must be final; (b) it must be rendered by a court having jurisdiction of the subject matter and of the parties; (c) it must be a judgment on the merits; (d) there must be, between the first and the second actions identity of parties, of subject matter, and cause of action (*Carandang v. Venturanza*, 133 SCRA 344; *Pantranco North Express, Inc. v. NLRC*, 126 SCRA 526; *Gatus v. Court of Appeals*, 95 SCRA 530; *Pagsisihan v. Court of Appeals*, 95 SCRA 540; *Meralco v. Gaulan* 97 SCRA 840; *Republic v. Court of Appeals*, 99 SCRA 742; *Municipality of Daet v. Court of Appeals*, 93 SCRA 503; *Mendoza v. Arrieta*, 91 SCRA 113; *Aroc v. People's Homesite and Housing Corporation*, 81 SCRA 350; *Anticamara v. Ong*, 82 SCRA 337; *Dacasin v. Court of Appeals*, 80 SCRA 89; *Municipality of Hagonoy, Bulacan v. Secretary of Agriculture and Natural Resources*, 73 SCRA 507; *Philippine Commercial and Industrial Bank v. Pfeider*, 65 SCRA 13; *Ibabao v. IAC* 150 SCRA 76 *Bayang v CA* 148 SCRA 91; *Arguson v. Miclat* 135 SCRA 678.)

There appears to be no dispute that in the case at bar, there is a judgment on the merits rendered by a quasi-judicial body having jurisdiction of the subject matter and of the parties and that, between the previous actions and the case at bar, there is identity of parties, of subject matter, and cause of action.

Although the hearing officer and acting referee of the Workmen's Compensation Section cannot be considered as an ordinary court, it has long been settled as early as 1956 that "the rule which forbids the reopening of a matter once judicially determined by competent authority applies as well to the judicial and quasi-judicial acts of public, executive or administrative officers and boards acting within their jurisdiction as to the judgments of courts having general judicial powers. x x x It has been declared that whenever final adjudication of persons invested with power to decide on the property and rights of the citizen is examinable by the Supreme Court, upon a writ of error or a certiorari, such final adjudication may be pleaded as *res judicata*." (*Brillantes v. Castro*, 99 Phil. 497, 503). Still later, this Court further elucidated that the doctrine of *res judicata* cannot be said to apply exclusively to decisions rendered by what are usually understood as courts without unreasonably circumscribing the scope thereof. "The more equitable attitude is to allow extension of the defense to decisions of bodies upon whom judicial powers have been conferred" (*Ipekjian Merchandising Co., Inc. vs. Court of Tax Appeals*, 9 SCRA 75).

"The basic rule of finality of judgments is x x x grounded on fundamental considerations of public policy and sound practice that at the risk of occasional error, the judgment of courts and award of quasi-judicial agencies must become final at some definite date fixed by law," (*Carreon v. W.C.C.*, 77 SCRA 297; *Soliven v. W.C.C.*, 77 SCRA 518; *Bibao v. W.C.C.*, 80 SCRA 177).

However, in the instant petition, the former judgment is based on a prohibited or null and void contract. Therefore, there is no valid judgment which can be predicated on *res judicata*. While it may be true that respondent claimant Leandro M. Castro received the sum of P1,377.00 from petitioner which the former acknowledged as full payment of his Workmen's Compensation, on a Stipulation of Facts, Agreement and Releases, nonetheless, such is not his full compensation under the law and the aforesaid document is null and void under Section 7 of the Workmen's Compensation Act (*Aquino v. Conato*, 15 SCRA 631).

Such law provides:

"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."

Although as a general rule, admission by the prevailing party of satisfaction of the judgment of the court a quo would be sufficient ground for the dismissal of the claim, the rule is different in Workmen's Compensation cases for the law protects the workingman, his family and his dependents by providing safeguards against dubious agreements. Thus, the provisions of Sections 7 and 29 of the Workmen's Compensation Act are clear and unmistakable expressions of public policy. The agreement being invalid, cannot be invoked for the dismissal of the case (*National Mirror Factory v. Amure*; 27 SCRA 719).

The law frowns upon any agreement, scheme, or device which seeks to exempt from employer from any liability under the Workmen's Compensation Commission either partially or totally and condemns such schemes as nullities (Sec. 7, Act 3428 WCA; *National Mirror Factory v. Vda. de Amure*, supra). The fact that the worker had signed a satisfaction receipt cannot result in a waiver and the same is a nullity. The law does not consider as valid any agreement to receive less compensation than what the worker is entitled to recover under the Act (*Franklin Baker Company of the Philippines v. Alillana*, 21 SCRA 1247). Further, in order that the agreement covering compensation be valid, the amount agreed upon must be at least equal to that provided by the Act, and the agreement must be approved by the Workmen's Compensation Commission or his authorized representative (*National Mirror Factory v. Vda. de Amure*, supra). Clearly, in the instant petition, the amount given to the private respondent was not his full compensation under the law. In addition, 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 the employee's contracting out of the protection of the Workmen's Compensation Act is to be avoided as

being contrary to public policy (*Limos v. Fernandez Hermanos, Inc.* 84 SCRA 646).

Petitioner further contends that the claim was awarded without affording the petitioner the right and opportunity to a formal hearing and counsel. The contention is untenable. In the case of *Fuentes v. Binamura*, 2 SCRA 1133, this Court aptly stated that where the award of the Commission is already final and executory, questions regarding the denial of the right to a hearing and lack of notice of the award or decision, should be taken up in a proper proceeding, as in a petition for relief. Petitioner's filing of an appeal (in effect a motion for reconsideration or petition for review), with the Workmen's Compensation Commission instead of the Workmen's Compensation Unit as required under Section 1 of Rule 19 of the Rules of the Workmen's Compensation Commission, did not toll the running of the prescriptive period within which to file the appeal by petition for review or motion for reconsideration. Thus, the award of the Workmen's Compensation Section dated January 7, 1974, has become final and executory. Once the judgment has become final, the issues therein should be laid to rest (*Zansibarian Residents Association v. Municipality of Makati*, 135 SCRA 235).

WHEREFORE, the petition filed, is Dismissed for lack of merit.

SO ORDERED.

Fernan, (Chairman), Gutierrez, Jr., Feliciano, and Cortes, JJ., concur.

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.