

ANATOLIO VALENCIA, PLAINTIFF-APPELLANT, VS. MANILA YACHT CLUB, INC., DEFENDANT-APPELLEE.

G.R. No. L-27346. June 30, 1969

Ponente: REYES, J.B.L., J.

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REYES, J.B.L., J.:

Appeal from the order of the Court of First Instance of Manila dismissing its Civil Case No. 47567, referred to this Court by the Court of Appeals for the reason that only questions of law are invoked.

This case commenced with the filing by Anatolio Valencia in the Manila Municipal Court of a claim against the Manila Yacht Club for compensation and medical expenses, under Article 1711 of the Civil Code, on the allegation that the plaintiff had been in the employ of defendant as a laborer for 11 years, receiving an average earning of P220.00 a month; that as such laborer he worked from 4 o'clock in the afternoon to 12 o'clock midnight, getting wet by sea spray or rain even when tired or perspiring; that prior to 7 April 1960 he sustained an injury while in the performance of his occupation;^[1] that thereafter, he spat blood, his constitution and resistance were weakened, and on 7 April 1960 he was found suffering from pulmonary tuberculosis. On 12 April 1960, he was disabled to go to work, and the claim for disability compensation was filed on 25 January 1961. Claimant's prayer against the Club^[2] was for disability compensation amounting to P1,760.00 as of 12 December 1960 and there-after in the sum of P220.00 a month, until he is pronounced physically fit to return to his usual work, and for payment of his doctor and medical expenses, costs of litigation, and attorney's fees.

Instead of filing an answer, respondent Manila Yacht Club moved to dismiss the case for lack of jurisdiction and cause of action. It was contended that, as both claimant and respondent were members of the Social Security System, the demand for compensation properly should be brought before the latter, as in fact claimant had already done so. Finding that claimant indeed had filed a claim with the Social Security System and had received benefits therefrom, the Municipal Court granted respondent's motion and ordered the dismissal of the case. Appealed to the Court of First Instance of Manila (Civil Case No. 47567), the decision of the Municipal Court was affirmed on the same ground; hence, claimant interposed the present proceeding.

With the facts of the relationship between the parties, the nature of claimant's work, and the compensability of his illness either admitted or assumed, the controversy left to be determined in this case is the effect of claimant's receipt of benefits from the Social Security System^[3] for the illness which was likewise the basis of his demand for compensation from the employer. In other words, the issue here is whether claimant's acceptance from the Social Security System of sickness and disability benefits, which are available to him as a member of the System, precludes further collection from the employer of compensation allowed under the law for the same sickness or injury.

We rule for the claimant employee. In several cases decided by this Court, the employee's right to demand compensation from the employer, notwithstanding previous receipt of benefits under the Social Security law, was already upheld.^[4] For by their nature and purpose, the sickness or disability benefits to which a member of the

System may be entitled under the Social Security law[5] are not the same as the compensation that may be claimed against the employer under the Workmen's Compensation Act or the Civil Code, so that payment to the member employee of social security benefits would not wipe out or extinguish the employer's liability for the injury or illness contracted by his employee in the course of or during the employment. It must be realized that, under the Workmen's Compensation Act (or the Civil Code, in a proper case), the employer is required to compensate the employee for the sickness or injury arising in the course of the employment because the industry is supposed to be responsible therefor; whereas, under the Social Security Act, payment is being made because the hazard specifically covered by the membership, and for which the employee had put up his own money, had taken place. As this Court had said:

“- - - - To deny payment of social security benefits because the death or injury or confinement is compensable under the Workmen's Compensation Act would be to deprive the employees members of the System of the statutory benefits bought and paid for by them, since they contribute their money to the general common fund out of which benefits are paid. In other words, the benefits provided for in the Workmen's Compensation Act accrues to the employees concerned due to the hazards involved in their employment and is made a burden on the employment itself. However, social security benefits are paid to the System's members, by reason of their membership therein for which they contribute their money to a general common fund. - - - -”

"It may be added that whereas social security benefits are intended to provide insurance or protection against the hazards or risks for which they are established, e.g., disability, sickness, old age or death, irrespective of whether they arose from or in the course of the employment or not, the compensation receivable under the Workmen's Compensation law is in the nature of indemnity for the injury or damage suffered by the employee or his dependents on account of the employment."[6]

The appealed order of the lower court being contrary to the cited rulings of this Court, the present case ordinarily should be remanded to the court of origin for further proceedings.

Appellant's demand for compensation is predicated on the employer's liability for the sickness of, or injury to, his employee imposed by Article 1711 of the Civil Code, which reads:

"ART. 1711. Owners of enterprises and other employers are obliged to pay compensation for the death of or injuries to their laborers, workmen, mechanics or other employees, even though the event may have been purely accidental or entirely due to a fortuitous cause, if the death or personal injury arose out of and in the course of the employment. The employer is also liable for compensation if the employee contracts any illness or disease caused by such employment or as the result of the nature of the employment. If the mishap was due to the employee's own notorious negligence, or voluntary act, or drunkenness, the employer shall not be liable for compensation. When the employee's lack of due care contributed to his death or injury, the compensation shall be equitably reduced."

We find the abovequoted provision to be applicable and controlling in this case. The matter of the amount of compensation and allowable medical expenses should be properly determined by the Municipal Court after the parties are heard accordingly.

WHEREFORE, the order of dismissal appealed from is hereby set aside, and claimant-appellant is declared entitled to compensation for his sickness acquired during and/or in the course of his employment. The case is remanded to the court of origin for determination, after due hearing, of the amount of compensation and allowable medical expenses payable by the respondent-appellee to claimant-appellant, and, upon adequate basis being shown, the claims for other expenses and attorneys' fees.

In view of the time elapsed, and the consequent hardships upon the employee, the court of origin is instructed to

give preference to this case, and to hear and determine the laborer's claims with maximum promptness and dispatch. Costs against respondent Manila Yacht Club.

Concepcion, C.J., Makalintal, Zaldivar, Sanchez, Ruiz Castro, Fernando, Capistrano, Teehankee, and Barredo, JJ., concur.

Dizon, J., took no part.

[1] Claimant was said to have been thrown against the edge of the Club's service boat when the rope with which he was starting the boat snapped.

[2] Respondent allegedly refused to pay any compensation for claimant's illness.

[3] It does not appear from the records the nature and amount of the award granted to claimant by the System.

[4] Rural Transit Employees Assn. vs. Bachrach Trans. Co., L-21441, 15 Dec. 1967, 21 SCRA 1263; Benguet Consolidated, Inc. vs. SSS, L-19254, 31 March 1964. See also Taurus Taxi Co., Inc. vs. Capital Insurance & Surety Co., L-23491, 31 July 1968, 24 SCRA 454.

[5] Rep. Act No. 1161, as amended by Rep. Acts Nos. 1792 and 2658.

[6] Rural Transit Employees Assn. vs. Bachrach Trans. Co., supra.

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