

TACIANA B. ESPEJO, PETITIONER, VS. WORKMEN'S COMPENSATION COMMISSION AND REPUBLIC OF THE PHILIPPINES (BUREAU OF PUBLIC SCHOOLS) RESPONDENTS.

G.R. No. L-45388. September 19, 1988

Ponente: CRUZ, J.

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CRUZ, J.:

The petitioner is a public school teacher appointed in 1958.[1] In 1971, she started feeling abdominal pains and was found to be suffering from chronic cervicitis. On April 8, 1974, she was admitted to the Children's Medical Center in Manila and underwent surgery for the affliction on April 10, 1974. She was discharged two days later.[2]

On June 25, 1974, the petitioner filed a claim under the Workmen's Compensation Act for medical and hospitalization expenses in the sum of P8,000.00.[3] This claim was not controverted by the respondent Republic of the Philippines, whose representative also failed to appear, despite notice, at the hearing set on July 30, 1974.[4] The evidence of the claimant was received ex parte by the acting referee of the Workmen's Compensation Section, Regional Office No. 4, Manila. Decision was subsequently rendered in favor of the petitioner, who was awarded the amount of P5,000.00 for her medical hospitalization and medical expenses and disability compensation of P441.46 plus attorney's fees and the costs.[5]

The Republic of the Philippines moved for reconsideration but the motion was denied.[6] Appeal was then taken to the Workmen's Compensation Commission, which on January 15, 1976, reversed the acting referee and dismissed the petitioner's claim.[7]

The petitioner is now before us to challenge the decision of the respondent Commission denying payment to her of: (1) medical and hospitalization expenses because her illness was not service-connected and therefore not compensable; and (2) disability compensation benefits because she suffered no loss of earning capacity.

It should be stressed at the outset that the law applicable to this case is not the present Labor Code, the provisions of which on employee's compensation became effective only on January 1, 1975.[8] As the petitioner's claim was filed on June 25, 1974, on the basis of her hospitalization and surgery which occurred even earlier, the pertinent law is the old Workmen's Compensation Act before it was superseded by the present Code.

This is important because the doctrine of presumptive compensability embodied in the earlier law, and to be discussed presently, have not been retained in the Labor Code, for the reasons explained in *Sulit v. Employees Compensation Commission*[9] by Justice Ramon C. Aquino.

Under Section 2 of the Workmen's Compensation Act, as amended, an illness was compensable if it was work-connected, i.e., the result of the nature of the employment or directly caused or aggravated by it. The legal presumption was that when the sickness supervened during employment, such sickness arose out of or was at least aggravated by the nature or conditions of the employee's work. The burden was then imposed upon the employer

to overcome this presumption with convincing proof; otherwise, the employee's claim would be sustained in line with the policy of liberality in favor of the working class. Thus, Section 44 of said Act specifically provided:

"SEC. 44. Presumption. — In any proceeding for the enforcement of the claim for compensation under this Act, it shall be presumed in the absence of substantial evidence to the contrary —

"1. That the claim comes within the provisions of this Act;

"2. That sufficient notice thereof was given;

"3. That the injury was not occasioned by the willful intention of the injured employee to bring about the injury or death of himself or of another;

"4. That the injury did not result solely from the intoxication of the injured employee while on duty; and

"5. That the contents of verified medical and surgical reports introduced in evidence by claimants for compensation are correct."

In the case at bar, the petitioner submitted adequate evidence of her claim consisting of Exhibit "A" (Notice of Injury or Sickness and Claim for Compensation); Exhibit "B" (Physician's Report of Sickness); Exhibit "C," "C-1" to "C-9" (Receipt of Medicines used by claimant); Exhibit "D," "D-1" to "D-15" (Prescriptions); Exhibit "E" (Health Examination Record); Exhibit "F" (Detailed Report on the Circumstances of claimant's sickness); Exhibit "G" (Service Record); Exhibit "H" (Brief Statement of Claimants duties); and Exhibit "I" (Medical History of Illness).[10] Her attending Physician, Dr. Luz Apeles, expressly certified that the illness was directly caused by the petitioner's employment or was aggravated by the same.[11]

By contrast, the respondent Republic of the Philippines introduced no evidence to controvert such claim and in fact did not even attend the scheduled hearing. Failure to controvert was fatal to any defense the employer could interpose and amounted to a waiver of the right to adduce all defenses, including the defense that the claim was not compensable.[12]

"Once the claimant has established that the illness, upon which the claim is premised, supervened during the time of his employment, there is a rebuttable presumption that the illness arose out of or at least aggravated by his employment." [13]

"The law presumes, in the absence of substantial evidence to the contrary, that the claim is compensable. The burden to disconnect, by substantial evidence, the injury or sickness from employment, is laid at the employer's door. So rigid is the rule that even where the cause of the employee's death is unknown, the right to compensation subsists. Reason for this is that the Workmen's Compensation Law is a social legislation. Therefore, to effectuate its purpose, it must be liberally construed." [14]

"While there is possibility that factors other than the employment of the claimant may also have contributed to the aggravation of his illness, this is not a drawback to its compensability. For under the law, it is not required that the employment be the sole factor in the growth development or acceleration of claimant's illness to entitle him to the benefits provided for. It is enough that his employment had contributed, even in a small degree, to the development of the disease. It has been repeatedly held that under the Workmen's Compensation Law, it is not necessary for a claimant to carry the burden of proof to establish his case to the point of demonstration. It is sufficient to show that the hypothesis on which he bases his claim is probable." [15]

Accordingly, we sustain the factual findings of the acting referee that the petitioner is entitled to medical and hospitalization expenses in the adjusted amount of P5,000.00.

The award of disability compensation benefits is another matter.

The pertinent rule is Section 14 of the Workmen's Compensation Act reading in full as follows:

"SEC. 14. Total Disability. — In case the injury or sickness causes temporary total disability for labor, the employer shall, during such disability, pay to the injured employee a weekly compensation equivalent to sixty per centum of his average weekly wage but not less than fourteen pesos per week, except in the case provided for in the next following paragraph. No compensation shall be allowed for the first three calendar days of incapacity resulting from an injury except the benefits provided for in the preceding section; but if the incapacity extends beyond that period, compensation shall be allowed from the first day of such incapacity. Such weekly payments shall in no case continue after the disability has ceased, nor shall the aggregate sum paid as compensation exceed in any case six thousand pesos. But no award of permanent disability shall take effect until after two weeks have elapsed from the date of the injury.

"In the case of an employee whose average weekly wages are less than fourteen pesos per week, the weekly compensation shall be the entire amount of such average weekly wages; but if the disability is permanent, the compensation shall be fourteen pesos in such case. In the event that the total disability begins after the period of partial disability, the amount of compensation due for the latter and for any other disability shall not exceed the maximum amount of six thousand pesos."

From this provision, it is clear that disability compensation benefits would be available to the petitioner only if she had suffered a wage loss as a result of her disability. As held in several earlier cases, the said benefits would accrue only if the illness was shown to have in fact physically disabled the complainant and affected his earning capacity in the sense that he was not paid his wages during his disability. Thus, in the leading case of *Corales v. Employee's Compensation Commission*,^[16] this Court declared:

"It must be noted that We disallowed petitioner's claim for disability compensation because of the undisputed fact that petitioner, despite his disabling illness of PTB -medically speaking — was able to physically pursue his line of work the very day he reached the compulsory age of retirement — 65; and therefore cannot be awarded disability benefits under Section 14 of the Workmen's Compensation Act, as amended, which observes the wage-loss factor as basis of the granting of disability benefits for its commands that 'x x x No compensation shall be allowed for the first three calendar days of incapacity resulting from an injury except the benefits provided for in the preceding section; but if the incapacity extends beyond the period, compensation shall be allowed from the first day of incapacity. x x x' (Section 14, Act 3428, as amended). Consequently, We ruled that, despite OUR finding that petitioner's illness and disability was work-connected, he is not entitled to disability benefits because his illness and/or medical disability did not result in any wage-loss or diminution of earnings as it is undisputed from the records that he not only continued to receive the same rate of salary (3,223.58 per annum) he was receiving in 1965 when he was initially found afflicted with PTB but also thereafter enjoyed increases of salaries and at the time of his compulsory retirement in 1975, his rate was 5,095.20 per annum; although he did not receive any promotion in rank or position, from 1965 to the year of his retirement. x x x"

The foregoing ruling was reiterated only last year in *Galanida v. ECC*,^[17] where the employee's claim for disability compensation benefits under Section 14 was likewise denied because he continued working — and was duly paid for his services — until his compulsory retirement.

In the more recent case of *Hernandez v. Deputy Minister of Labor*,^[18] disability compensation benefits were awarded to the petitioner (also a classroom teacher) during the period when her service-connected disability prevented her from earning her usual income. However, no similar compensation was allowed her during her subsequent hospitalization and recuperation as she suffered no loss of earnings, having been fully paid during the whole period.

Since the herein petitioner was not financially prejudiced as a result of the surgery she underwent but on the

contrary continued receiving her regular pay during the period of her hospitalization and convalescence, she is not entitled to the payment of disability compensation benefits under the said Section 14.

It bears re-emphasizing, to avoid confusion, that this case is being decided under the old Workmen's Compensation Act, which was the law in force when the petitioner filed her claim. The doctrines evolved from the changes introduced by the Labor Code, as explained in the Sulit case, are not applicable here.

WHEREFORE, the decision of the Workmen's Compensation Commission dated January 15, 1976 is hereby SET ASIDE and that of the acting referee REINSTATED but with modification that only the award for hospitalization and medical benefits in the amount of P5,000.00, plus attorney's fees and the costs shall be allowed. The claim for disability compensation benefits is disauthorized.

SO ORDERED.

Narvasa (Chairman), Gancayco, Griño-Aquino and Medialdea, JJ., concur.

[1] Rollo, p. 12.

[2] Ibid., pp. 13, 23, 58.

[3] Id., p. 10.

[4] Id., pp. 12, 23.

[5] Id., pp. 14-15.

[6] Id., pp. 19-20.

[7] Id., pp. 23-24.

[8] Art. 208, Labor Code; *Macawili v. WCC*, 134 SCRA 220, 227; *Tenedo v. ECC*, G.R. No. 62300, September 25, 1987.

[9] 98 SCRA 483.

[10] Rollo, p. 13.

[11] Ibid., p. 11.

[12] *Lombo v. Standard Cigarette Manufacturing, Co.*, 58 SCRA 750 and the cases cited therein; *Antiporda v. WCC, et al.*, 135 SCRA 68, citing *DBP v. WCC*, 49 SCRA 375; *Canete v. WCC*, 136 SCRA 302; *Jereza v. Mondia*, 138 SCRA 58; *Alavado v. City Government of Tacloban*, 139 SCRA 230; *Buyco v. Secretary of Labor*, 145 SCRA 361; *Guevarra v. WCC*, 146 SCRA 64.

[13] *Justiniano v. WCC*, 18 SCRA 677, citing *Agustin v. WCC*, 12 SCRA 55 and *Hernandez v. WCC*, 14 SCRA 219; *National Development Co. v. WCC*, 19 SCRA 861; *Naira v. WCC*, 6 SCRA 361; *A.D. Santos, Inc. v. de Sapon, et al.*, 16 SCRA 791; *Pangasinan Transportation Co., Inc. v. WCC*, 8 SCRA 352.

[14] *Industrial Textile Manufacturing Co. v. Florzo, et al.*, 17 SCRA 1104, citing *Naira v. WCC, supra*; *Agustin v. WCC, supra*; *Vda. de Acosta v. WCC*, 12 SCRA 168.

[15] *Abana v. Quisumbing*, 22 SCRA 1282, citing *Manila Railroad Co. v. WCC* and *Pineda*, 11 SCRA 84.

[16] 88 SCRA 547.

[17] 154 SCRA 234.

[18] G.R. No. L-49093; November 27, 1987.

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