

QUEZON INSTITUTE, ETC., PETITIONER, VS. CELSO A. VELASCO RESPONDENT.

G.R. Nos. L-7742-43. November 23, 1955

Ponente: JUGO, J.

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JUGO, J.:

These two cases are decided together as the same legal issues are involved in them.

Celso A. Velasco and Ernesto Paraso were employees of the Quezon Institute, an institution managed by The Philippine Tuberculosis Society. They contracted tuberculosis due to their work and were incapacitated for certain periods of time. They filed claims with The Workmen's Compensation Commission and were awarded the sums of P857.25 and P1,311.43, respectively. The Philippine Tuberculosis Society has filed with this Court a petition for review of the orders of said Commission awarding the sums mentioned.

The Workmen's Compensation Law provides for compensation or indemnity for certain accidents or illness suffered by workers or employees engaged in "industrial employment."

Section 39 (d) of said Act before it was amended was as follows:

"(d) 'Industrial employment' in case of private employers includes all employment or work at a trade, occupation or profession exercised by an employer for the purpose of gain, except agriculture, charitable institutions and domestic service, but as to agriculture, employees for the operation of mechanical implements shall be entitled to the benefits of this Act."

After it was amended by Republic Act No. 772 on June 20, 1952, it now reads as follows:

"(d) 'Industrial employment' in case of private employers includes all employment or work at a trade, occupation or profession exercised by an employer for the purpose of gam, except domestic service."

It will be noticed that in section 39 (d) as amended by Republic Act No. 772 the words "charitable institutions" are omitted from the exceptions to the definition of "Industrial employment." From such omission the respondents argue that charitable institutions are not excepted from the operation of The Workmen's Compensation Law for, otherwise, they would not have been omitted from the exceptions. However, we can reasonably conclude that the omission was made because charitable institutions would not come under the general definition of Industrial Employment and consequently it was not necessary to make such exception. An exception is made when the thing excepted would fall under the scope of the general definition, were it not for the exception. It would be a redundancy to define Industrial Employment in such a way as to exclude charitable institutions and yet make an exception of them.

It should be considered in this connection that Republic Act No. 772 is a revamp of The Workmen's Compensation Law; so that the lawmaker improved the language of the statute by avoiding a redundancy.

The question which arises is whether or not The Philippine Tuberculosis Society which operates the Quezon

Institute is a trade, occupation, or profession exercised for the purpose of gain. It is a nonstock corporation organized for the following purposes:

"(a) To advance the knowledge about tuberculosis by encouraging original research on the part of the members and others;

"(b) To collect and record facts concerning tuberculosis in the Philippines and to disseminate information thereof through every possible channel;

"(c) To combat the spread of tuberculosis and to afford relief to those afflicted therewith by every known and possible means;

"(d) To establish branches of the Society throughout the Philippines for the purpose of carrying out the objects of the Society, and to provide rules and regulations for the government of such branches;

"(e) To acquire, erect, hold, manage and operate hospitals and sanatoria for the treatment and study of tuberculosis and kindred diseases;

"(f) To acquire, lease and own any and all real estate that may be necessary or useful in carrying out the purposes for which the Society is formed, and to receive and accept donations of money or of property, real or personal, from any person or entity, including the Commonwealth of the Philippines or any of its subdivisions and instrumentalities; and

"(g) To sell or lease any of the property that may be acquired by the corporation."

It has no capital stock; does not issue shares of stock; and does not declare dividends.

But the respondents argue that it collects P2, P10, or P100 per annum from its honorary, active, sustaining and life members, respectively (Article II, Articles of Incorporation) ; and that it receives contributions from officials and private persons and entities, and is subsidized with funds of the Philippine Charity Sweepstakes and of the Government itself. Some veterans who are hospitalized in the pay wards of the Quezon Institute are paid for by the Veterans' Administration under the provisions of the Rogers Act. This is done because, at present, there are no available beds for them in the Veterans' Hospital but as soon as there are in said hospital, the veterans will be transferred there and it will mean a cut in the income of the Quezon Institute.

The Quezon Institute is equipped with 1,350 beds, more or less, and of this number only 25 per cent are assigned to pay patients while 75 per cent are for charity cases. The income derived from the pay wards are insufficient to maintain the charity wards and to pay the doctors, nurses, and technical and lay personnel in charge of them. That is why this institution is helped with contributions from the public and subsidized with funds of the Charity Sweepstakes and of the Government itself.

The situation of the Quezon Institute is similar to that of the hospital of the University of Sto. Tomas with its pay and charity wards. In the case of "U. S. T. Hospital Employees vs. Sto. Tomas Hospital, 95 Phil., 40" it was held by this Court that the Sto. Tomas Hospital is not an institution established for gain and, therefore, not subject to the jurisdiction of the Court of Industrial Relations. With greater reason the Quezon Institute should be declared as an institution not established for gain within the meaning of The Workmen's Compensation Law.

The attorney for the claimants makes an appeal to the effect that the Quezon Institute, being a charitable institution should be charitable to the claimants who contracted illness. It should be borne in mind that the petitioner has given free hospitalization and treatment to the claimants and is ready to extend gratuitous accommodations, within the limits of its means, to any person who may find himself in the same predicament and may be unable to pay.

In view of the foregoing, the orders of The Workmen's Compensation Commissioner requiring the Quezon Institute or the Philippine Tuberculosis Society to pay the indemnities above mentioned to the claimants Velasco and Paraso are reversed, without pronouncement as to costs. It is so ordered.

Paras, C. J., Bengzon, Padilla, Montemayor, Reyes, A., Bautista Angelo, Labrador, Concepcion, and Reyes, J. B. L., JJ., concur.

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