EMPLOYEES' COMPENSATION COMMISSION (SOCIAL SECURITY SYSTEM), PETITIONER, VS. EDMUND SANICO, RESPONDENT.

G.R. No. 134028. December 17, 1999

Ponente: KAPUNAN, J.

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KAPUNAN, J.:

Through this petition for review, the Employees' Compensation Commission seeks to set aside the decision of the Court of Appeals (CA) in CA G.R. SP No. 47804, dated 28 May 1998, reversing petitioner's decision, dated 20 March 1997, in ECC Case No. 8342 and granting Edmund Sanico's (private respondent's) claim for compensation benefits under Presidential Decree No. 626, as amended (Book IV, Title II of the Labor Code).

Private respondent was a former employee of John Gotamco and Sons. He worked in said company as "wood filer" from 1986 until he was separated from employment on 31 December 1991 due to his illness. His medical evaluation report, dated 31 September 1991, showed that he was suffering from pulmonary tuberculosis (PTB). Subsequent chest x-rays taken on 9 October 1994 and 3 May 1995 diagnostically confirmed his illness.

On 9 November 1994, private respondent filed with the Social Security System (SSS) a claim for compensation benefits under P.D. No. 626, as amended. On 23 April 1996, the SSS denied private respondent's claim on the ground of prescription. The SSS ruled that under Article 201 of the Labor Code, a claim for compensation shall be given due course only when the same is filed with the System three (3) years for the time the cause of action accrued. In private respondent's case, the SSS reckoned the three-year prescriptive period on 21 September 1991 when his PTB first became manifest. When he filed his claim on 9 November 1994, the claim had allegedly already prescribed.

On appeal, petitioner affirmed the decision of the SSS. Private respondent then elevated the case to the CA, which reversed petitioner's decision and granted private respondent's claim for compensation benefits. In ruling that private respondent's claim was filed well within the prescriptive period under the law, the CA reconciled Article 201 of the Labor Code with Article 1144(2) of the Civil Code. Under the latter provision of law, an action upon an obligation created by law must be filed within ten (10) years from the time the cause of action accrues. Thus, while private respondent's illness became manifest in September 1991, the filing of his compensation claim on 9 November 1994 was within, even long before, the prescriptive period.

The sole issue to be resolved in this case is whether or not private respondent's claim for compensation benefit had already prescribed when he filed his claim on 9 November 1994.

We rule in favor of private respondent.

This Court has consistently ruled that "disability should not be understood more on its medical significance but on the loss of earning capacity. Permanent total disability means disablement of an employee to earn wages in the same kind of work, or work of similar nature that [he] was trained for or accustomed to perform, or any kind of work which a person of [his] mentality and attainment could do. It does not mean absolute helplessness."[1] This

Court has also held that:

> In disability compensation, it is not the injury which is compensated, but rather it is the incapacity to work resulting in the impairment of one's earning capacity.[2]

Petitioner thus seriously erred when it affirmed the decision of the SSS denying private respondent's claim on the ground of prescription. In determining whether or not private respondent's claim was filed within the three-year prescriptive period under Article 201 of the Labor Code, petitioner and the SSS reckoned the accrual of private respondent's cause of action on 31 September 1991, when his PTB became known. This is erroneous.

Following the foregoing rulings, the prescriptive period for filing compensation claims should be reckoned from the time the employee lost his earning capacity, i.e., terminated from employment, due to his illness and not when the same first became manifest. Indeed, a person's disability might not emerge at one precise moment in time but rather over a period of time.[3] In this case, private respondent's employment was terminated on 31 December 1991 due to his illness, he filed his claim for compensation benefits on 9 November 1994. Accordingly, private respondent's claim was filed within the three-year prescriptive period under Article 201 of the Labor Code.

In this light, the Court finds no need at this time to rule on the seeming conflict between the prescriptive period for filing claims for compensation benefits under Article 201 of the Labor Code and Article 1144(2) of the Civil Code.

In conclusion, the Court takes this opportunity to once again remind petitioner that P.D. No. 626, as amended, is a social legislation whose primordial purpose is to provide meaningful protection to the working class against the hazards of disability, illness and other contingencies resulting in the loss of income. Thus:

> As an official agent charged by law to implement social justice guaranteed and secured by the Constitution, the ECC should adopt a liberal attitude in favor of the employee in deciding claims for compensability especially where there is some basis in the facts for inferring a work connection with the incident. This kind of interpretation gives meaning and substance to the compassionate spirit of the law as embodied in Article 4 of the New Labor Code which states that all doubts in the implementation and interpretation of the provisions of the Labor Code including its implementing rules and regulations should be resolved in favor of labor.[4]

WHEREFORE, premises considered, the instant petition is hereby DISMISSED.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Puno, Pardo, and Santiago, JJ., concur.

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[1] GSIS VS. CA, 285 SCRA 430 (1998); GSIS VS. CA, 260 SCRA 133 (1996); Bejerano vs. CA, 205 SCRA 598 (1992).

[2] Bejerano vs. CA, ibid., citing Ulibas vs. Republic, 83 SCRA 819 (1978); Roma vs. WCC, 80 SCRA 1270 (1977).

[3] Aguja vs. GSIS, 200 SCRA 187 (1991) citing Jimenez vs. ECC, G.R. No. 79193, 28 November 1989, En Banc Minute Resolution

[4] Nitura vs. Employees' Compensation Commission, 201 SCRA 278, 283 (1991); Santos vs. Employees' Compensation Commission, 221 SCRA 182, 188 (1993).

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