

CALTEX (PHILIPPINES) INC., PETITIONER, VS. CRISTETA VILLANUEVA, FOR HERSELF AND IN BEHALF OF HER MINOR CHILD, AND THE WORKMEN'S COMPENSATION COMMISSION, RESPONDENTS.

G.R. No. 15658. August 21, 1961

Ponente: PADILLA, J.

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PADILLA, J.:

Appeal by certiorari under the provisions of sections 46 and 49, Act No. 3428, as amended by Act No. 3812, Commonwealth Act No. 210 and Republic Acts Nos. 772 and 889.

Cristeta Villanueva, respondent, wife of Dominador Maramot, filed a notice of death and claim for compensation, dated 24 October 1956, against Caltex (Philippines) Inc., petitioner, under the provisions of section 24 of the Workmen's Compensation Act, as amended, in the Regional Office No. 3, Department of Labor (Annex A-1). On 29 October 1956 the hearing officer wrote to the manager of the petitioner in Bauan, Batangas, enclosing WCC Forms Nos. 2, 3, 4 and 5 for his accomplishment in connection with the alleged accident that befell its employee, Dominador Maramot, and return to the sender, and requesting him to appear within five days from receipt thereof and explain why he should not be penalized under the provisions of section 37 of the Workmen's Compensation Act, as amended for failure to notify the proper authorities of the accident (Annex A). On 6 November 1956 the petitioner transmitted to the Workmen's Compensation Commission WCC Form No. 3 duly accomplished (Annexes B & B-1). On 6 May 1958 the administrator of the Regional Office No. 3, Department of Labor, entered an award in favor of the respondent claimant holding that her claim not having been controverted by the petitioner and it appearing that "Dominador Maramot sustained personal injury from an accident which arose out of and in the course of his employment as Messboy on MV Caltex Mindanao of the respondent (petitioner), resulting in his death," "death benefits should therefore, be extended to the claimants, Cristeta Villanueva and her minor child who were wholly dependent upon the deceased for support," and ordering the petitioner to pay to her, through the regional office, the sum of P4,000 as compensation and to the Workmen's Compensation Commission the sum of P41 as fee, pursuant to the provisions of section 55 of the Workmen's Compensation Act, as amended (Annex C).

On 15 May 1958 the petitioner wrote to the regional administrator stating that respondent's claim is not unconverted but controverted by it; that its failure to file a notice of controversion with the regional office within 14 days from date of the accident or within 10 days after it first acquired knowledge thereof was due to the fact that as the alleged employee was found missing in the open sea on board its vessel, it had to wait for the return of the vessel to its homeport and the result of the marine inquiry to be conducted by the proper authorities; that upon receipt of the letter of the hearing officer the petitioner explained the delay in controverting the respondent's claim; and that the case being a controverted one, the regional administrator had no authority to hear and determine it, and requesting that the case be referred to the proper officer for hearing (Annex D). On 7 August 1958 the petitioner again wrote to the regional administrator enclosing a copy of its letter dated 15 May 1958 and stating that "a person missing under the circumstances as those of Dominador Maramot may not legally be

considered as dead until after the lapse of the period fixed by law on presumptions of death, and consequently claimant cannot for the present be considered as a widow entitled to compensation under the law." (Annex D-1.)

On 30 October 1958 the regional administrator denied the petitioner's request for reconsideration and forwarded the record of the case to the Workmen's Compensation Commission for review (Annex E).

On 18 February 1959 the Chairman of the Workmen's Compensation Commission rendered a decision holding that the respondent claimant's husband disappeared on board the MV "Caltex Mindanao" in the open sea while employed by the petitioner; that as believed by Captain Gavino Colocado of the Philippine Constabulary stationed in Batangas, Batangas, who made a thorough investigation of the incident, the employee accidentally had fallen into the sea and was drowned; and that the petitioner's statement in its report submitted to the respondent Commission that the employee was "lost at sea and presumed dead as of October 10, 1956" (Annex B-1) "is an admission against interest;" and that the respondent claimant being the widow of the employee is entitled to death compensation, and affirming the decision of the regional administrator. In addition, the petitioner was ordered to pay to the respondent Commission the sum of P5 as fee for the review of the decision of the regional administrator, pursuant to section 55 of the Workmen's Compensation Act, as amended (Annex F). The petitioner filed a "motion for reconsideration and for a hearing en banc" dated 28 February 1959 (Annex G) and memorandum in support of its motion dated 16 April 1959 (Annex G-1). On 26 May 1959 the respondent Commission en banc denied the petitioner's motion for reconsideration (Annex H), copy of the resolution having been received by the petitioner on 6 July 1959. On 10 July 1959 the petitioner filed a notice of appeal from its decision en banc in the respondent Commission (Annex I). On 16 July 1959 the petitioner filed this petition for certiorari to review the decision of the respondent Commission.

There is no dispute that Dominador Maramot was employed by the petitioner as messboy on board its vessel MV "Caltex Mindanao" with an average weekly salary of P40.43 including allowance for board and lodging; that at about 10:00 o'clock in the evening of 9 October 1956 the said vessel left Bauan, Batangas, for Legaspi City; that when the vessel left for its destination, the said employee was on board by reason of his employment by the petitioner; that at about 10:00 o'clock in the evening of 10 October 1956, while the vessel was in the open sea near Ticao Pass off the coast of Samar, he was found missing; that the Captain of the vessel ordered its route retraced and the surrounding waters at 12° 30' N. lat. and 123° 57' E. long. searched for the missing employee; that notwithstanding diligent search made, neither he nor his body could be found; that after four hours of fruitless effort the search was abandoned; and that upon reaching port the Captain of the vessel filed the necessary marine protest.

May the petitioner be held liable for death compensation to the respondent claimant as a widow of the missing employee and her minor child by him. The respondent Commission has decided the question in the affirmative.

The petitioner's theory is that since it has controverted the respondent's claim, it is the hearing officer who should determine the respondent's claim after due hearing and not the regional administrator who should award death compensation without hearing; that the respondent Commission has no appellate jurisdiction to entertain the instant case on appeal; and that a person found missing on board a vessel in the course of a sea voyage cannot be declared presumptively dead and his wife a widow before the lapse of four years provided for by article 391 of the Civil Code.

The petitioner does not question the validity and legality of the enactment into law of Plan No. 20-A on labor, submitted to the President of the Philippines by the Government Survey and Reorganization Commission, recommending the abolition of the then existing Workmen's Compensation Commission and creation of a new body with the same name vested with "purely quasi-judicial and quasi-legislative" power, and Executive Order

No. 218, dated 10 December 1956, providing for the implementation of the said reorganization plan. Section 12, article III, Plan No. 20-A, provides:

The present Workmen's Compensation Commission is hereby abolished, and a new Workmen's Compensation Commission is hereby created which shall be a purely quasi-judicial and quasi-legislative body to be composed of three members, who shall have the qualifications required of a Judge of the Court of First Instance. Two members shall be appointed by the President with the consent of the Commission on Appointments. The third member is the Director of Workmen's Compensation who shall serve as ex-officio Chairman. This newly created entity, hereinafter referred to in this Article as the Commission, is attached to the Bureau for a close working relationship.

Except as otherwise provided in this Article, the powers and duties heretofore pertaining to the Commissioner and Deputy Commissioner of Workmen's Compensation are transferred to and shall be assumed and exercised by the Commission, which body is authorized to delegate the same to the extent that it shall remain as an appeal source with corresponding duties of promulgating related rules and regulations. Pursuant thereto the Commission shall delegate to appropriate Regional Offices all cases currently pending before said Commission or Deputy Commissioner, which offices shall take jurisdiction thereof, administer and settle the same, subject to appeal to the Commission in accordance with prescribed rules and regulations. Said Regional Offices shall assume original jurisdiction of all cases arising henceforth. The Commission may promulgate rules and regulations governing its internal functions as a quasi-judicial body including the power of each member to decide appealed cases from a Regional Office, allowance for appeal from the decision of an individual member to the Commission en banc, and other allied matters. The Commission shall have jurisdiction to review, revise, modify, or affirm all rules and regulations prepared by the Bureau.

SECTION 32, Executive Order No. 218, dated 10 December 1956 implementing the said organization plan, provides:

The functions, powers, duties and responsibilities of the Workmen's Compensation Commission shall consist of those quasi-legislative and quasi-judicial functions, powers, duties and responsibilities now vested by law (Act No. 3428, as amended by Republic Act No. 772) in the Commissioner and Deputy Commissioner of Workmen's Compensation, as further amended by Section 12 of the Plan: Provided, That any provision of law or rules of court to the contrary notwithstanding, all cases falling under the Workmen's Compensation Law shall be filed and heard in the Regional Office where the respondent or any of the respondents resides or may be found, or where the claimant or any of the claimants resides, at the election of the claimant.

SECTION 36 in part, 38 and 42 in part of the said executive order provide:

SEC. 36. The functions, powers, duties and responsibilities of each Regional Office shall include the following, among others:

* * * c. render administrative decisions on all labor cases within the limits of delegated authority: Provided, That the original and exclusive jurisdiction over Workmen's Compensation cases conferred upon Regional Offices by Section 25 of the Plan shall not bar a workman's recourse to a court of competent jurisdiction: And provided, further, That a workman cannot prosecute his claim both in the Regional Office and in the court.

SEC. 38. Each Regional Office shall have an Administrative Section, a Legal Adviser, an Inspection Section and a Labor Operations Section, except that the Regional Office with headquarters Operations shall have in addition a Hearing Section separate from the Labor Operations Section.

SEC. 42. Subject to policy instructions, standards, rules and regulations established by appropriate headquarters entities, and under the administrative supervision, direction and control of the Regional Administrator, the Labor Operations Section shall have the following functions, among others:

d. hear and adjudicate workmen's compensation and labor standards claims.

On 1 February 1957, pursuant to the provisions of section 12, Article III, Plan No. 20-A, the Workmen's Compensation Commission promulgated its rules of procedure (53 Off. Gaz. 2112). Section 1, Rule 13, of the said Rules, provides:

These rules are applicable only to cases involving contested or controverted claims for compensation.

SECTIONS 1, 3 and 4, Rule 14, of the same Rules, provided:

SECTION 1. Claim for compensation deemed controverted.—With or without a claim for compensation being first filed, the laborer's right to compensation is deemed controverted where the employer files a notice of controversion with the regional office within 14 days from date of the accident or illness of the laborer or within 10 days after the employer or his representative first acquired knowledge of said accident or sickness; when his right to controvert has been restored pursuant to these rules; and when the award is objected to before it becomes final and executory. In the latter case, controversion cannot be made on the compensability of the claim but only on the rating, duration of disability and on the average weekly wage of the injured.

SEC. 3. Effect of failure to controvert on time.—Where an employer fails to controvert the employee's right to compensation within the period and manner stated in the preceding two sections hereof, he shall be deemed to have renounced his right to controvert and the Hearing officer may, if a claim has already been filed, receive evidence for the claimant, if necessary, and have the case treated as an uncontroverted or uncontested case.

SEC. 4. Reinstatement of right to controvert.—On or before the period for filing the answer under Rule 18 hereof, an employer who failed to seasonably controvert the right of the employee to compensation may file with the Hearing Officer a petition under oath specifying therein the reasons for his failure to do so and the Hearing Officer may reinstate the employer's right to controvert.

Section 1, Rule 21, of the same Rules, further provides:

Only regularly appointed Hearing Officers shall hear and decide compensation claims. However, when the exigencies of the service so require, the Regional Administrator may designate any other employee of the Regional Office, who is a duly qualified member of the Philippine Bar or has graduated from a law course in an accredited law college, to act as hearing officer.

Section 45, Act No. 3428, as amended by Republic Act No. 722, provides:

In case the employer decides to controvert the right to compensation, he shall, either on or before the fourteenth day of disability or within ten days after he has knowledge of the alleged accident, file a notice with the Commissioner, on a form prescribed by him, that compensation is not being paid, giving the name of the claimant, name of the employer, date of the accident and the reason why compensation is not being paid. Failure on the part of the employer or the insurance carrier to comply with this requirement shall constitute a renunciation of his right to controvert the claim unless he submits reasonable grounds for the failure to make the necessary reports, on the basis of which grounds the Commissioner may reinstate his right to controvert the claim.

From the foregoing provisions of law and rules, it may be gathered that a regional office of the Department of Labor has original jurisdiction to hear and determine claims for compensation under the Workmen's Compensation Act. If a claim is controverted, it shall be heard and decided only by a regularly appointed hearing officer or any other employee duly designated by the Regional Administrator to act as hearing officer. But when the claim is uncontroverted and there is no necessity of requiring the claimant to present further evidence, the Regional Administrator may enter an award or deny the claim. Furthermore, an employer is duty bound to controvert a claim within 14 days from the date of the accident or illness of the laborer or within 10 days after he or his representative first acquired knowledge of the said accident or sickness. Failure to do so within the period provided will result in the renunciation of his right to controvert the claim. But an employer may reinstate his

right to controvert the claim by filing a petition under oath specifying the reasons for his failure to do so.

The fact that the employee was found missing while on board the petitioner's vessel MV "Caltex Mindanao" became known to the captain of the vessel on 10 October 1956 but it was only on 6 November 1956 when the petitioner transmitted to the respondent Commission WCC Form No. 3 stating that the employee was "lost at sea and presumed dead as of October 10, 1956," and that it was controverting the respondent's claim. The controversion of the claim having been made beyond the period provided for by the law and the rules, the petitioner should have stated under oath the reasons for his failure to do so. Having failed to comply with this requirement, the petitioner is deemed to have renounced its right to controvert the respondent's claim, the claim may be considered uncontroverted and the regional administrator may adjudicate the respondent's claim on the basis of the evidence at hand.

The last question is whether or not the respondent claimant is entitled to death compensation before the lapse of four years from the time of her husband's disappearance. Article 391 of the Civil Code provides:

The following shall be presumed dead for all purposes, including the division of the estate among the heirs:

- (1) A person on board a vessel lost during a sea voyage or on aeroplane which is missing, who has not been heard of for four years since the loss of the vessel or aeroplane.
- (2) A person in the armed forces who has taken part in war, and has been missing for four years;
- (3) A person who has been in danger of death under other circumstances and his existence has not been known for four years.

The foregoing presumptions of death may be availed of only for the purpose of settling the estate of a missing person. They do not apply to claims under the Workmen's Compensation Act where no settlement of the estate is involved. Moreover, the presumption established in paragraph 1 of the above quoted article of the Civil Code applies where the vessel is lost during a sea voyage and a person on board it is unheard of for four years since the loss of the vessel. In the case at bar the vessel was not lost during a sea voyage.

The petitioner has not established the fact that the missing employee is alive. On the other hand, the reasonable inference that may be drawn from the fact that he disappeared while on board the vessel MV "Caltex Mindanao" in the open sea and could not be found dead or alive despite diligent search is that he accidentally had fallen into the sea and was drowned. Death having arisen out of and in the course of employment, the respondent widow and her minor child by him are entitled to compensation from the petitioner.

The decision under review is affirmed, with costs against the petitioner.

Bengzon, C. J., Labrador, Concepcion, Reyes, J. B. L., Barrera, Paredes, Dizon, De Leon, and Natividad, JJ., concur.

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