BENJAMIN L. SAROCAM, PETITIONER, VS. INTERORIENT MARITIME ENT., INC., AND DEMACO UNITED LTD., RESPONDENTS.

G.R. NO. 167813. June 27, 2006

Ponente: CALLEJO, SR., J.

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CALLEJO, SR., J.:

Before the Court is a Petition for Review on certiorari under Rule 45 of the Rules of Court of the Decision[1] of the Court of Appeals (CA) in CA-G.R. SP No. 84883, which affirmed the February 19, 2004[2] and April 27, 2004[3] Resolutions of the National Labor Relations Commission (NLRC) in NCR Case No. 01-11-2492-00.

The Antecedents

On June 27, 2000 petitioner Benjamin L. Sarocam was hired by Interorient Maritime Ent., Inc. and Demaco United Ltd., for a twelve-month contract as "bosun" on board M/V Despina. His basic monthly salary was US$450.00 on a 48-hour work week, with a fixed overtime pay of US$180.00 per month for 105 hours, supplementary wage of US$70.00, and vacation leave with pay of 2.5 days.[4]

While the vessel was navigating to China, petitioner suffered lumbar sprain when he accidentally fell from a ladder.[5] On November 15, 2000, he was examined and found to have neuromyositis with the waist and diabetes. The examining physician prescribed medicine and recommended the signing off and hospitalization of petitioner.[6] His employers agreed to repatriate him on November 30, 2000.

On December 5, 2000, petitioner was referred to the company-designated physician, Dr. Teodoro F. Pidlaoan, Medical Director of the Our Lady of Fatima Medical Clinic. The x-ray of his lumbosacral spine revealed normal results and his Fasting Blood Sugar test revealed 9.1 (NV 4.1-6.1 umol/l). Petitioner was given Alaxan tablet for his back pain and Euglocon for his elevated blood sugar. He was also advised to return for follow-up evaluation. On December 13, 2000, he returned to the clinic with no more complaints of back pains. His sugar examination likewise revealed normal results. Petitioner was then declared "fit for duty" effective on that day.[7]

On March 20, 2001, or barely three months from being pronounced fit to work, petitioner executed a release and quitclaim[8] in favor of his employers where he acknowledged the receipt of US$405.00 as his sickwages and freed his employers from further liability.

However, on November 27, 2001, petitioner filed a complaint with the labor arbitration branch of the NLRC for disability benefit, illness allowance/reimbursement of medical expenses, damages and attorney's fees.[9] To support his claim, he presented the following: (1) a medical certificate[10] dated July 25, 2001 issued by Dr. Rimando C. Saguin recommending a Grade VIII disability under the POEA schedule of disability grading; (2) a medical certificate[11] dated July 27, 2001 issued by Dr. Antonio A. Pobre, recommending the same Grade VIII disability; and (3) a medical certificate[12] dated August 2, 2001 issued by Dr. Efren R. Vicaldo recommending a Grade VI disability.

On July 11, 2003, Labor Arbiter Antonio R. Macam rendered a Decision[13] dismissing the complaint, holding

that petitioner was not entitled to disability benefits because he was declared "fit for duty." The Labor Arbiter noted that petitioner had previously executed a release and quitclaim in favor of his employers and already received his sickness allowance. Thus, he could not claim for reimbursement for medical expenses due to lack of pertinent substantiation. Petitioner's claim for moral damages and attorney's fees were, likewise, not awarded on the Labor Arbiter's ruling that there was no evidence of bad faith and malice on the part of the employers.

The fallo of the Labor Arbiter's decision reads:

> WHEREFORE, all the foregoing premises considered, judgment is hereby rendered dismissing the complaint for lack of merit.
>
> SO ORDERED.[14]

Petitioner appealed the Decision[15] to the NLRC on July 31, 2003 which issued its Resolution[16] dated February 19, 2004, affirming the decision of the Labor Arbiter, with the modification that petitioner was entitled to US$1,350.00 or its peso equivalent, representing his salary for three (3) months. The NLRC ruled that petitioner should have been reinstated by respondents considering that when the former was declared "fit for duty," his employment contract had not yet expired. Thus, respondents were liable for his salary corresponding to the unexpired portion of the employment contract or three months' salary for every year of the unexpired term whichever is less, pursuant to Section 10 of Republic Act No. 8042. The fallo of the Resolution reads:

> WHEREFORE, premises considered, the Appeal is DENIED. However, for reasons stated above, the Decision dated 11 July 2003 is hereby MODIFIED, ordering respondents-appellees to indemnify complainant-appellant in the amount of US$1,350.00 or its peso equivalent at time of payment.
>
> SO ORDERED.[17]

Petitioner filed a Motion for Reconsideration which the NLRC denied on April 27, 2004.[18] He forthwith filed a Petition for Certiorari[19] with the CA, assailing the ruling of the labor tribunal.

On January 25, 2005, the CA rendered judgment dismissing the petition. The appellate court declared that the issues raised by petitioner relating to the credibility and probative weight of the evidence presented were factual in nature, hence, proscribed under Rule 65 of the Rules of Court. The CA noted that petitioner did not even contest the due execution, voluntariness and veracity of his own handwritten quitclaim. Thus, he was estopped from assailing the Deed of Release and Quitclaim he executed after receiving US$405.00 from respondents. Considering that petitioner was examined by the company-designated physician and did not protest the findings thereon and later received sickwages, the appellate court concluded that the NLRC was correct in its ruling. The dispositive portion of the CA decision states:

> IN VIEW OF ALL THE FOREGOING, the instant petition is ordered DISMISSED. No pronouncements as to costs.
>
> SO ORDERED.[20]

Petitioner's motion for reconsideration was denied by the CA in its Resolution[21] dated April 19, 2005.

Petitioner thus filed the instant petition, raising the following issues:

> I.
>
> IN LIGHT OF THE DECISION OF THIS HONORABLE COURT IN "GERMAN MARINE AGENCIES, INC. VS. NLRC, ET AL.," 350 SCRA 629, CAN THE RESPONDENTS' COMPANY-DESIGNATED DOCTOR BE CONSIDERED COMPETENT AND RELIABLE ENOUGH TO DECLARE PETITIONER AS

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> FIT TO WORK CONTRARY TO THE DECLARATIONS OF THREE (3) INDEPENDENT PHYSICIANS SIMILARLY FINDING HIM OTHERWISE?
>
> II.
>
> DOES THE EXECUTION BY PETITIONER OF A RELEASE AND QUITCLAIM ESTOP HIM FROM CLAIMING DISABILITY BENEFITS UNDER THE POEA STANDARD EMPLOYMENT CONTRACT?[22]

The Court's Ruling

As in the CA, the issues raised by the petitioner are factual. He maintains that the diagnosis of his three (3) personal doctors declaring him unfit to work is more accurate and reliable than that of Dr. Pidlaoan, the company-designated physician. These three physicians, two of whom are orthopedic surgeons, are likewise in a better position to determine his fitness or unfitness for work, unlike Dr. Pidlaoan whose expertise cannot be ascertained from the medical certificate he issued. Petitioner thus assails the competence of Dr. Pidlaoan to assess his fitness to work.

Petitioner avers that the quitclaim he executed is invalid, as the amount he received as consideration therefor was much lower than what he should have received under the POEA Standard Employment Contract. He went on to argue that quitclaims are frowned upon by this Court as they are contrary to public policy.

It must be stressed that in a petition for review on certiorari under Rule 45 of the Rules of Court, only questions of law may be raised.[23] The Court is not a trier of facts and is not to reassess the credibility and probative weight of the evidence of the parties and the findings and conclusions of the Labor Arbiter and the NLRC as affirmed by the appellate court. Moreover, the factual findings of the Labor Arbiter and the NLRC are accorded respect and finality when supported by substantial evidence, which means such evidence as that which a reasonable mind might accept as adequate to support a conclusion. The Court does not substitute its own judgment for that of the tribunal in determining where the weight of evidence lies or what evidence is credible.[24]

In the instant case, the CA, the NLRC and the Labor Arbiter are one in their findings that based on the evidence on record, petitioner is not entitled to disability benefits.

Prescinding from the foregoing, the Court finds and so rules that under the Standard Terms and Conditions Governing the Employment of Filipino Seafarers On-Board Ocean-Going Vessel or the POEA Standard Employment Contract issued pursuant to DOLE Department Order No. 4, and POEA Memorandum Circular No. 9, both Series of 2000, petitioner is not entitled to disability benefits. Section 20-B, paragraph 2 of the POEA Standard Employment Contract provides:

> SECTION 20. COMPENSATION AND BENEFITS
>
> x x x x
>
> B. COMPENSATION AND BENEFITS FOR INJURY OR ILLNESS
>
> The liabilities of the employer when the seafarer suffers work-related injury or illness during the term of his contract are as follows:
>
> x x x x
>
> - If the injury or illness requires medical and/or dental treatment in a foreign port, the employer shall be liable for the full cost of such medical, serious dental, surgical and hospital treatment as well as board and lodging until the seafarer is declared fit to work or to be repatriated.

> However, if after repatriation, the seafarer still requires medical attention arising from said injury or illness, he shall be so provided at cost to the employer until such time he is declared fit or the degree of his disability has been established by the company-designated physician.

In the instant case, Dr. Pidlaoan diagnosed petitioner as "fit for duty" as gleaned from his December 13, 2000 Medical Report, to wit:

> x x x x
>
> Referred and consulted our medical clinic on December 05, 2000 still complaining of on-and-off low back pain aggravated by movements. X-ray of the lumbosacral spine revealed normal findings, Fasting Blood Sugar revealed 9.1 (NV 4.1 - 6.1 umol/l). Patient was given Alaxan tablet 2-3x a day for his back pain and Eugoclon 1 tablet daily for his elevated blood sugar and advised to come back regularly for repeat blood sugar and for follow-up evaluation on his back pain.
>
> Today, December 13, 2000, he came back with no more complaints of back pain and repeat sugar examination revealed already normal results.
>
> DIAGNOSIS: Lumbar Strain
> Diabetes Mellitus
>
> RECOMMENDATION: Fit for duty effective today, December 13, 2000.
>
> x x x x

Since he was declared fit for work, petitioner has no more right to claim disability benefits under the contractual provisions of the POEA Standard Employment Contract.

Under Section 20-B, paragraph 3 of the said contract, petitioner is obliged to submit himself to a post-employment medical examination by a company-designated physician within three working days upon his return, except when he is physically incapacitated to do so, in which case, a written notice to the agency within the same period is deemed as compliance. Failure to comply with this mandatory reporting requirement shall result in forfeiture of the right to claim the above benefits. It is likewise provided that if a doctor appointed by the seafarer disagrees with the assessment, a third doctor may be agreed jointly between the employer and the seafarer whose decision shall be final and binding on both parties.

Petitioner did not question the findings of Dr. Pidlaoan and his recommendation. He questioned the doctor's competency and the correctness of his findings only when he filed the complaint against respondents before the Labor Arbiter, roughly 11 months after petitioner was examined by the doctor. Petitioner consulted his personal doctors only in July and August 2001, long after he had been examined by the company-designated physician.

Petitioner's invocation of this Court's ruling in German Marine Agencies v. NLRC[25] militates against his claim for disability benefits. As explicitly laid in the said case, it is the company-designated physician who should determine the degree of disability of the seaman or his fitness to work, thus:

> x x x In order to claim disability benefits under the Standard Employment Contract, it is the "company-designated" physician who must proclaim that the seaman suffered a permanent disability, whether total or partial, due to either injury or illness, during the term of the latter's employment. x x x It is a cardinal rule in the interpretation of contracts that if the terms of a contract are clear and leave no doubt upon the intention of the contracting parties, the literal meaning of its stipulation shall control. There is no ambiguity in the wording of the Standard Employment Contract – the only qualification prescribed for the physician entrusted with the task of assessing the seaman's disability is that he be "company-designated."[26]

Dr. Pidlaoan examined and treated petitioner from the time he was repatriated up to his recovery and subsequent assessment as fit for duty on December 13, 2000. As in the German Marine case, the extensive medical attention extended by Dr. Pidlaoan enabled the latter to acquire familiarity, if not detailed knowledge, of petitioner's medical condition. No doubt such specialized knowledge enabled Dr. Pidlaoan to arrive at a much more accurate appraisal of petitioner's condition, as compared to another physician not privy to petitioner's case from the very beginning.[27] Indeed, the assessment of the three other personal doctors of petitioner could not have been that reliable considering that they based their conclusions on the prior findings of Dr. Pidlaoan; moreover, they examined petitioner 7 or 8 months after he was assessed as fit to work and treated him for only one day.

The only requirement stated in the POEA Standard Employment Contract, as explained in the German Marine case, is that the doctor be company-designated, and no other. Though it is prudent and advisable to have a doctor specialized in his field to examine the seafarer's condition or degree of illness, the contractual provisions of the parties only require that the doctor be "company-designated." When the language of the contract is explicit, as in the case at bar, leaving no doubt as to the intention of the drafters thereof, the courts may not read into it any other intention that would contradict its plain import.[28]

Furthermore and most importantly, petitioner did not question the competency of Dr. Pidlaoan and his assessment when the latter declared him as fit for duty or fit to work.

Additionally, petitioner, instead of questioning the assessment of the company-designated doctor, executed a release and quitclaim in favor of respondents, around three months after the assessment. In executing the said document, petitioner thus impliedly admitted the correctness of the assessment of the company-designated physician, and acknowledged that he could no longer claim for disability benefits.

While petitioner may be correct in stating that quitclaims are frowned upon for being contrary to public policy, the Court has, likewise, recognized legitimate waivers that represent a voluntary and reasonable settlement of a worker's claim which should be respected as the law between the parties. Where the person making the waiver has done so voluntarily, with a full understanding thereof, and the consideration for the quitclaim is credible and reasonable, the transaction must be recognized as being a valid and binding undertaking.[29]

In the instant case, petitioner, by his own hand, wrote the following in the March 20, 2001 release and quitclaim:

> That I have read this paper from beginning to and [sic] and understand the contents thereof.
>
> That I know this paper that I am signing.
>
> That I know that signing this paper settles and ends every right or claim I have for all damages including but not limited to loss of earning capacity [sic] of past and future maintenance. [sic] support [sic] suffering [sic] mental anguish. [sic] serious anxiety and similar injury.
>
> That I have received the amount of US$405 or P18,630.
>
> That I know that upon receipt of the above amount I waive all claims I may have for damage against the vessel's owners and her agents, insurers, charterers, operators [sic] underwriters, p.i. clube [sic], shipper and all other persons in interest therein or thereon, under all and all other countries.[30]

From the document itself, the element of voluntariness in its execution is evident. Petitioner also appears to have fully understood the contents of the document he was signing, as the important provision thereof had been relayed to him in Filipino. Thus, the document also states:

> Na alam ko na pagkatanggap ko nang halagang ito ay pinawawalang bisa at iniuurong ko nang lahat [ng] aking interes, karapatan, at anumang reklamo o damyos laban sa barko, may-ari nito, mga ahente, seguro at

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> lahat-lahat ng may kinalaman sa barkong ito maging dito sa Pilipinas o anumang bansa.[31]

Likewise, the US$405.00 which he received in consideration of the quitclaim is a credible and reasonable amount. He was truly entitled thereto, no more and no less, given that he was sick for only less than a month or from November 15, 2000 to December 13, 2000. The same would not, therefore, invalidate the said quitclaim. As we held in Periquet v. National Labor Relations Commission:[32]

> Not all waivers and quitclaims are invalid as against public policy. If the agreement was voluntarily entered into and represents a reasonable settlement, it is binding on the parties and may not later be disowned simply because of a change of mind. It is only where there is clear proof that the waiver was wangled from an unsuspecting or gullible person, or the terms of settlement are unconscionable on its face, that the law will step in to annul the questionable transaction. But where it is shown that the person making the waiver did so voluntarily, with full understanding of what he was doing, and the consideration for the quitclaim is credible and reasonable, the transaction must be recognized as a valid and binding undertaking.[33]

As a final note, let it be emphasized that the constitutional policy to provide full protection to labor is not meant to be a sword to oppress employers. The commitment of this Court to the cause of labor does not prevent us from sustaining the employer when it is in the right.[34]

WHEREFORE, premises considered, the petition is hereby DENIED for lack of merit. The Decision and Resolution of the Court of Appeals in CA-G.R. SP No. 84883 are AFFIRMED. Costs against the petitioner.

SO ORDERED.

Panganiban, C.J., (Chairperson), Ynares-Santiago, Austria-Martinez, and Chico-Nazario, JJ., concur.

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[1] Penned by Associate Justice Conrado M. Vasquez, Jr., with Associate Justices Josefina Guevara-Salonga and Fernanda Lampas-Peralta, concurring; rollo, pp. 151-158.

[2] Rollo, p. 100.

[3] Id. at 109.

[4] Id. at 213.

[5] Id. at 152.

[6] Id. at 31.

[7] Id. at 32.

[8] Id. at 215-218.

[9] Id. at 41.

[10] Id. at 37.

[11] Id. at 35.

[12] Id. at 38.

[13] Id. at 78-83.

[14] Id. at 83.

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[15] Id. at 84.

[16] Id. at 100-107.

[17] Id. at 106-107.

[18] Id. at 109-110.

[19] Id. at 111-127.

[20] Id. at 158.

[21] Id. at 160.

[22] Id. at 16-17.

[23] Telefunken Semiconductors Employees Union v. Court of Appeals, 401 Phil. 776, 791 (2000).

[24] Sonza v. ABS-CBN Broadcasting Corporation, G.R. No. 138051, June 10, 2004, 431 SCRA 583, 594.

[25] 403 Phil. 572, 588 (2001).

[26] Id. at 588-589.

[27] Id. at 590.

[28] Id.

[29] Mendoza, Jr. v. San Miguel Foods, Inc., G.R. No. 158684, May 16, 2005, 458 SCRA 664, 680.

[30] Rollo, p. 216.

[31] Id. at 217.

[32] G.R. No. 91298, June 22, 1990, 186 SCRA 724.

[33] Id. at 730-731.

[34] Agabon v. National Labor Relations Commission, G.R. No. 158693, November 17, 2004, 442 SCRA 573, 614.

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