

**LECAROZ TRANSIT, FRANCISCO LECAROZ AND ROSA E. LECAROZ,
PETITIONERS, VS. SECRETARY OF LABOR AND CELSO PADERNAL
(DECEASED), REPRESENTED BY HIS WIDOW, LOURDES PADERNAL,
RESPONDENTS.**

G.R. No. 47210. November 21, 1990

Ponente: NARVASA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-47210/>

NARVASA, J.:

The issues upon which this dispute turns are neither novel nor of any great complexity. The case is notable chiefly for the careless and slipshod manner in which it was dealt with by officials of the defunct Workmen's Compensation Commission. Flawed with error from the outset, it had initially been filed with the Workmen's Compensation Unit at San Pablo City as a claim for disability benefits for Celso Padernal, a driver of Lecaroz Transit, who had allegedly become incapacitated from a brain tumor contracted in the course of his employment. It was very shortly discovered, however, that Padernal was already dead and hence, the claim should not have been filed in his name. So it was replaced with one for death benefits, this time in the name of Padernal's widow, Lourdes Dice Quinto Vda. de Padernal, for herself and in behalf of her minor children.[1]

An award was rendered *ex parte* about a year later, on July 22, 1974, by the Acting Chief of the WCC Unit, in favor of Lourdes Padernal. But the award was patently erroneous; for it found that Lourdes Padernal (not her husband, Celso) had contracted a brain tumor while in the employ of Lecaroz Transit, which illness was either aggravated by or the result of the nature of her employment, and on this ludicrously erroneous foundation, ordered Lecaroz to pay Lourdes herself P623.25 as reimbursement for medical expenses and P6,000.00 as compensation for permanent total disability.[2]

Notice of the award was served on Lecaroz Transit which immediately filed a motion praying for reinstatement of its right to controvert the claim. Alleging that it had never received notice, either of the filing of the claim or of the proceedings in the WCC, or even of the illness of the deceased Celso Padernal, Lecaroz asserted that it had thus been denied an opportunity to controvert the claim and to show, not only that Lourdes Padernal had never been its employee, but also, and even if the award be read to refer to Celso Padernal, that there was no causal connection between his illness and the nature of his work, not to mention the fact that when Celso died, he had already long ceased to be an employee of Lecaroz Transit.

The motion to reinstate was denied. But a subsequent motion for reconsideration was pronounced well-taken,[3] although instead of giving Lecaroz a chance to offer proof against the claim, the same Acting Chief of the WCC Unit forthwith issued an amended award, this time finding that Celso Padernal had developed a brain tumor "which was either aggravated by or the result of the nature of his employment while in the employ of respondent as driver (and) resulting to (sic) his/her death on February 4, 1972," and on that basis sentencing Lecaroz to pay his widow P5,383.36 as death compensation and reimbursement for burial expenses, P623.35 as reimbursement of medical expenses, and P250.20 as attorney's fees.[4]

Lecaroz appealed to the Commission, but there it lost again. To be sure, the Commission did rule that the amended award of death benefits was "erroneous," "fatally defective" and "devoid of merit," since Padernal had died more than two years after the date of disability. Nonetheless the Commission awarded disability benefits for Padernal's "total" and "permanent" incapacity predicated on what it declared to be the "indisputable fact" that the latter had been "employed as a driver by respondent and * * during the course of his employment * * developed the ailment later on diagnosed as a brain tumor which disabled him totally for labor on November 1, 1969 and caused his death on February 4, 1972." [5]

The Commission brushed aside the issue of lack of notice raised by Lecaroz; it adverted to the fact that a registry return card had been received by the WCC Unit relative to the notice sent by the Hearing Officer to Lecaroz, and to the decision in *Vda. de Calado vs. WCC* [6] awarding similar benefits despite the failure to give the notice or to file the claim required by Section 24 of the Workmen's Compensation Act.

Lecaroz filed a motion for reconsideration, which the Commission denied. Hence, the preset appeal: (a) pleading lack of notice of, variously, the sickness or death of Celso Padernal, the filing of the claim for benefits, and the proceedings conducted in the WCC Unit at San Pablo City up to the time of the original award; and (b) asserting an ability, given the opportunity, to show that (1) Celso Padernal had ceased to be employed by Lecaroz as early as in 1957, (2) at the time he left such employ, he was completely free from any ailment that might have been caused or aggravated by the nature of work and (3) his alleged brain tumor had been contracted many years after his separation from Lecaroz's service.

Present respondents were directed by the Court to comment on the petition for review. Lourdes Padernal never complied, despite notice which was effected only with no little difficulty, and a subsequent show-cause resolution. The comment filed by the Secretary of Labor stressed, mainly, Lecaroz's forfeiture of its right to controvert the claim, resulting in its being barred from setting up the so-called non-jurisdictional defenses, such as that the illness did not arise out and in the course of employment.

Due process requires, of course, that before any person is made liable to perform any prestation or satisfy any liability, there be prior notice and opportunity to be heard. In workmen's compensation cases under the old law, Act No. 3428, it was necessary, in addition, that notice of the illness of injury be given the employer and the claim based thereon filed within specific periods. That notice was a condition precedent to the prosecution of any claim for compensation; a failure to give it barred recovery. [7] Section 24 of the Act provided:

"SEC. 24. No compensation proceeding under this Act shall prosper unless the employer has been given notice of the injury or sickness as soon as possible after the same was received or contracted and unless a claim for compensation was made not later than two months after the date of the injury or sickness, or in case of death, not later than three months after death, regardless of whether or not compensation was claimed by the employee himself. * * *.

The notice requirement has been liberally interpreted, both in the United States upon whose statutes our compensation law had been modelled, and in this jurisdiction. It may be given in any form, even orally. Indeed, the Act provided that "failure or delay in giving notice * * (was not) a bar to the proceeding if it is shown that the employer, his agent or representative had knowledge of the accident or that the employer did not suffer by such delay or failure." [8]

Even so, notice in some form or other was generally deemed imperative, the need for it being founded on the employer's correlative duty himself to notify the Workmen's Compensation Commission of the employee's sickness or injury and to manifest whether he (the employer) was admitting or denying liability for compensation, such notification being, in turn, requisite to the preservation of his right to controvert the claim. [9]

As already observed, Lecaroz flatly denies receiving any notice, and on that account having any knowledge, of the alleged illness of Padernal or of the compensation claim filed on behalf of the latter or of the proceedings conducted thereon prior to being served copy of original award of July 22, 1974 erroneously rendered in favor of Lourdes Padernal. The record shows that the only evidence contradicting this disclaimer consists of: (1) the testimony of the same Feliciano Reyes who had originally filed the claim on behalf of Celso Padernal that such notice had orally been given,[10] and (2) a registry return receipt purporting to show that notice of the claim had also been dispatched to Lecaroz by the San Pablo WCC Unit on March 7, 1974[11] which, however, carries an illegible and never-identified signature where that of the addressee or his agent should appear in acknowledgment of its receipt. These "proofs" are quite clearly too weak and ambiguous in character to survive the direct challenge offered by Lecaroz, given the fact that notice, as already pointed out, is as crucial to the claimant's cause as it is to the respondent's in a compensation case.

Indeed, given the prima facie serious and substantial objections it has raised against the compensation claim, the Court cannot bring itself to believe that Lecaroz, if it had had notice thereof, would have passively allowed the proceedings before the San Pablo WCC Unit to progress, as they did, to an award without even making an appearance therein; this, as much as any other consideration, inclines to the belief that no such notice was in fact effectively given and received.

Calado vs. WCC, supra, cannot appropriately be cited to support the respondents here because it does not dispense with the requirement of notice or the filing of a formal claim unqualifiedly and under all circumstances, but simply applies and gives effect to the earlier-quoted Section 27 of the Workmen's Compensation Act that failure or delay in giving notice does not bar a claim if it is shown that the employer, his agent or representative had knowledge of the accident or that the employer did not suffer by such delay or failure. There the Court found that:

“* * (t)here is no controversy that Tomas Calado was employed with Acoje, that he contracted tuberculosis that arose out of and in the course of such employment and that he eventually died of said illness. Neither is there any question that petitioners were his dependents. That tuberculosis is a compensable sickness is expressly recognized in Section 2 of the law. Acoje does not and cannot dispute the fact that from the first time Calado vomitted blood and exhibited other symptoms of the disease, he repaired to the Company hospital and was treated thereat; that he was not cured; when he left the hospital, the company physician refused to issue to him any release paper allowing him to work; he asked for a sick leave, Acoje denied; instead, he was made to sign resignation papers; scarcely over two years thereafter, he died of the same malady.**.”

As may be seen, the factual situation here is entirely different, it never having been pretended that apart from the alleged notices that Lecaroz firmly denies receiving, said employer or its agents or representatives had any actual knowledge of Celso Padernal's ailment.

The appealed decision, while appearing to uphold Lecaroz's claim of an unimpaired right to controvert, nonetheless denies said employer the appropriate relief, which should have been the reception of such evidence that the latter had to offer to defeat the claim. Instead, it also summarily makes another award of disability benefit based on the allegedly indisputable facts of Celso Padernal's employment as a driver by Lecaroz and of his having, in the course of such employment, developed the illness which disabled him totally and later caused his death, and holding, on the basis of Calado, that Lecaroz was not exempted from liability even if Padernal had not been able to file claim while he was still alive.

The record does not support those factual findings. On the contrary, it is conspicuous for the absence of any competent, credible evidence that Celso Padernal was in the employ of Lecaroz at a time reasonably proximate to the onset of the former's illness. Given Lecaroz's vigorous assertions that Padernal had left its service in the best of health as early as in 1957, or twelve (12) years before he fell ill in 1969, some substantial proof that he

remained so employed during that intervening period should have been offered. The presumption of compensability created by law and jurisprudence does not arise from the failure alone of the alleged employer to controvert a claim for compensation benefits; another essential, if implicit, prerequisite is that the fact of employer-employee relationship and supervision of the illness during the existence of that relation are established, the burden of doing so being upon the claimant.

WHEREFORE, being in error for awarding disability benefit without clear evidentiary basis, as well for denying petitioner Lecaroz the opportunity to controvert the private respondent's claim, the questioned decision of the Workmen's Compensation Commission and the order of the respondent Secretary of Labor affirming said decision are REVERSED and SET ASIDE and the proceedings wherein the same were entered are DISMISSED, without pronouncement as to costs.

SO ORDERED.

Cruz, Gancayco, Griño-Aquino, and Medialdea, JJ., concur.

[1] WCC Record, pp. 5, 18

[2] Rollo, pp. 37-38. The award was made by the Acting Chief of the Workmen's Compensation Unit at San Pablo City.

[3] Rollo, p. 46

[4] Rollo, p. 47

[5] Rollo, pp. 54-55. The Commission's Decision was written by Chairman Severo M. Pucan and concurred in by Associate Commissioner Eugenio I. Sagmit, Jr.

[6] 38 SCRA 567 (1971)

[7] Luzon Stevedoring Co. vs. Hon. C. de Leon, 106 Phil. 562 (1959)

[8] Sec. 27, Workmen's Compensation Act

[9] Secs. 37 and 45, id.

[10] WCC Record, p. 18

[11] WCC Record, p. 23

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.