

NAESS SHIPPING PHILIPPINES, INC., PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION AND ZENAIDA R. DUBLIN, RESPONDENTS.

G.R. No. 73441. September 04, 1987

Ponente: NARVASA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-73441/>

NARVASA, J.:

The decisive issue in this special civil action of certiorari is whether or not the POEA and the NLRC acted with grave abuse of discretion amounting to lack or excess of jurisdiction in adjudging that under a contract of employment of a crewman of an ocean-going vessel providing -- as "compensation for (the crewman's) loss of life" -- for the payment of "CASH BENEFITS" to his "immediate next of kin," said crew-man's death by suicide is compensable.

On the night of September 3, 1983, while the vessel MV DYVI PACIFIC was plying the seas enroute from Santos, Brazil to Port Said, Egypt, Pablo Dublin, the vessel's chief steward, fatally stabbed the second cook, Rodolfo Fernandez, during a quarrel, then ran to the deck from which he jumped or fell overboard. An alarm was immediately raised, and the vessel turned to comb the surrounding area for Dublin. After some time his floating body was briefly sighted, but it disappeared from view even as preparations to retrieve it were being made, and was never seen again although the search went on through the night and was called off only at 6:00 o'clock the next morning.[1]

There is no dispute that Dublin had been hired by NAESS Shipping, Philippines, Inc. (hereinafter called NAESS) to serve aboard the MV DYVI PACIFIC under an employment contract which incorporated as part thereof the Special Agreement between the International Workers Federation (ITF) and NAESS Shipping (Holland) B.V. of Amsterdam, the mother company of NAESS (Philippines). Said Agreement bound NAESS to pay cash benefits for loss of life of workers enrolled therein, pursuant to the following provisions:

"Article 8

"For the purpose of this Special Agreement the Collective Bargaining Agreement between the ITF-Affiliated Associated Marine Officers' and Seamen's Union of the Philippines (AMOSUP-PTGWO) and Naess Shipping Philippines, Inc., dated April 16, 1983 in respect of all Philippine seafarers has been approved by the ITF.

***.

Paragraph 17 - CASH BENEFITS

Compensation for Loss of Life:

- i) to immediate next of kin- US\$24,844.00
- ii) to each dependent child under the age of 18 - US\$7,118.00"[2]

For the death of Dublin, his widow Zenaida, by whom he had one child, Ivy, born January 22, 1971, collected the amount of P75,000.00 under Clause A of the ITF Collective Bargaining Agreement.[3] She also filed with the Philippine Overseas Employment Administration (POEA) a complaint against NAESS[4] for payment of death benefits totalling US\$74,512.00 under both paragraph 17 of the cited Special Agreement and what she claimed to be the also applicable Singapore Workmens' Compensation Ordinance.[5]

After answer was filed by NAESS denying liability on the ground that Pablo Dublin had taken his own life and that suicide was not compensable under the Agreement invoked, the parties agreed to submit the case for decision on the basis of position papers.[6] Thereafter, the POEA rendered judgment for the complainant, holding Dublin's death compensable under said Special Agreement and ordering NAESS to pay complainant and her child compensation benefits totalling US\$31,962.00 and her attorneys of record fees amounting to US\$3,196.00, or the equivalents of said sums in Philippine pesos at prevailing rates of exchange.[7]

NAESS filed a motion for reconsideration. Said motion was referred to the National Labor Relations Commission (NLRC) and was treated by the latter as an appeal which it dismissed for lack of merit, with an express affirmance of the POEA decision.[8] NAESS thereupon came to this Court on a petition for certiorari, charging grave abuse of discretion and/or lack or excess of jurisdiction in both the rendition and the affirmance of judgment of the POEA and raising the sole issue of "**** whether death caused by suicide (jumping overboard) is compensable." [9]

NAESS argues the thesis that suicide is not compensable under the employment contract of Pablo Dublin because said agreement did not constitute it the insurer of Dublin's life; that to allow the payment of death benefits in the particular circumstances of this case would amount to paying a price or reward for murder; and that the NLRC incurred in serious error in finding that there was no conclusive proof that Dublin had intentionally killed himself.

At first blush these arguments would seem to possess some merit. They fail, however, to stand closer scrutiny. There is no question that NAESS freely bound itself to a contract which on its face makes it unqualifiedly liable to pay compensation benefits for Dublin's death while in its service, regardless of whether or not it intended to make itself the insurer, in the legal sense, of Dublin's life. No law or rule has been cited which would make it illegal for an employer to assume such obligation in favor of his or its employee in their contract of employment.

The attention of the Court has been invited to the fact that the agreement in question also provides for payment of disability benefits,[10] but that in contrast to compensation for death the right to such benefits is conditioned on lack of fault on the part of the employee concerned for the accident causing disability, thus evincing an intent to treat the two classes of benefits differently. This, it is likewise suggested, militates against reading into the provision for death benefits conditionalities not explicitly stated therein; and, indeed, it does, because it is only logical to assume that if it had been intended to subject NAESS' liability for death benefits to any condition, such as one barring compensation for death by the employee's own hand, whether intentional or otherwise, the contract would have specifically so provided, just as it did in incorporating the lack-of-fault proviso in the disability benefits clause referred to.

****. Thus, contracts, *** which are the private laws of the contracting parties, should be fulfilled according to the literal sense of their stipulations, if their terms are clear and leave no room for doubt as to the intention of the contracting parties, for contracts are obligatory, no matter what their form may be, whenever the essential requisites for their validity are present. ***"[11]

"To start with, a few basic principles on the interpretation of contracts should be reiterated. When there is no doubt as to the intention of the contracting parties, its literal meaning shall control. Article 1372 of the New Civil Code further provides that however general the terms of a contract may be, they shall not be understood to comprehend things that are distinct and cases that are different from those upon which the parties intended

to agree. Therefore, a meaning other than that expressed or an interpretation which would alter its strict and literal significance should not be given to it. Moreover, the entirety of the contract must be taken into consideration to ascertain the meaning of its provisions.[12]

In view of what has already been stated, it makes no difference whether Dublin intentionally took his own life, or he killed himself in a moment of temporary aberration triggered by remorse over the killing of the second cook, or he accidentally fell overboard while trying to flee from imagined pursuit, which last possibility cannot be ruled out considering the state of the evidence. It may be noted parenthetically that these conjectures sound equally plausible because the events surrounding the death of Dublin have not been established with any degree of certitude. As already observed, this case was submitted to the POEA for decision on the basis of position papers only. Testimony as to the circumstances of the two deaths on board the MV DYVI PACIFIC, though presumably available, was never presented. To be sure, NAESS in its position paper adverted to certain declarations of crewmen on the matter supposedly "**** culled from the Official Report of the Master of the vessel ****" but the POEA was furnished only a xerox copy of that document.[13] Proof of this kind, if it may be called such, which at best is at least twice removed from its primary source, cannot be accepted as indubitably establishing the context within which Dublin's death should be viewed. The POEA and the NLRC had every reason to declare that there was lack of conclusive or credible proof that Dublin intentionally took his own life. In any case, this Court is not prepared to rule that a contract contravenes public policy and is therefore void which, by not specifically excepting suicide in a clause obligating one of the parties to pay compensation for the death of the other, may in theory enable the latter's estate, or his heirs, to profit from his self-immolation.

It is also argued that to compel payment of death benefits in this case would amount not only to rewarding the act of murder or homicide, but also inequitably to placing on NAESS the twin burdens of compensating both the killer and his victim, who allegedly had also been employed under a contract with a similar death benefits clause. This argument, in confusing the legal implications and effects of two distinct and independent agreements, carries within itself the seeds of its own refutation. On Dublin's part, entitlement to death benefits resulted from his death while serving out his contract of employment; it was not a consequence of his killing of the second cook, Rodolfo Fernandez. If the latter's death is also compensable, that is due to the solitary fact of his death while covered by a similar contract, not precisely to the fact that he met death at the hands of Dublin. That both deaths may be related by cause and effect and NAESS is the single obligor liable for compensation in both cases must, insofar as the factual and legal bases of such liability is concerned, be regarded as purely accidental circumstances. NAESS would have had no reason whatsoever to introduce into the present dispute the matter of compensation benefits for Fernandez had Dublin, after killing Fernandez, succumbed to a stroke or a heart attack instead of allegedly taking his own life, because the contract of Fernandez, if the same as that of Dublin as regards death benefits, would unquestionably cover death by murder or misadventure. There would still be no reason to do so, that is, relate the killing of Fernandez to the present compensation claim, merely on the assertion, even if true, that Dublin had committed suicide.

The further claim that payment of death benefits would be premature because, Dublin's body never having been actually recovered, he can only be considered missing, must be rejected, and not only because it so openly conflicts with NAESS' insistence that he committed suicide. The Court has no doubt, from such of the circumstances of the night of September 3, 1983 as to which the parties offer no dispute, that Dublin in fact met his death at that time.[14]

The award of attorney's fees, however, merits reconsideration and must be set aside. It has not been made to appear that the contract of employment sued upon incorporates any stipulation for payment of attorney's fees in case of breach thereof and the injured party is compelled to litigate for relief thereunder. Neither does the record clearly show any circumstance that would justify an award of such fees in the absence of stipulation.[15]

WHEREFORE, modified only to set aside and vacate the award of US\$3,196.00 for attorney's fees made in the decision of the POEA and affirmed in the Resolution of the National Labor Relations Commission herein complained of, said Resolution is affirmed, with costs against petitioner NAESS.

SO ORDERED.

Teehankee, C.J., Cruz, Paras*, and Gancayco, JJ., concur.

[1] Rollo, pp. 74-76; 204-206, quoting from the ship's log.

[2] Rollo, pp. 27, 126, 185.

[3] Rollo, pp. 36, 163.

[4] POEA Case No. M-84-08-704.

[5] Rollo, pp. 50-52.

[6] Rollo, pp. 16, 53-57.

[7] Rollo, pp. 35-40.

[8] Rollo, pp. 42-48.

[9] Rollo, pp. 14-32; at p. 18.

[10] paragraph 18.

[11] Philippine American General Insurance Co., Inc. vs. Mutuc, 61 SCRA 22, 27, citing Feliciano vs. Limjuco, 16 Phil. 506.

[12] Matienzo vs. Servidad, 107 SCRA 276, 281-182.

[13] Rollo, pp. 59-60.

[14] SEE Eastern Shipping Lines v. Lucero, 124 SCRA 425.

[15] Art. 2208, Civil Code.

* Specially designated as member of the First Division.

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.