

FELIPE CASTILLO AND CRISPIN CANINO, PETITIONERS, VS. MADRIGAL SHIPPING CO., INC., AND THE WORKMEN'S COMPENSATION COMMISSIONER, RESPONDENTS.

G. R. Nos. 10708-09. November 21, 1957

Ponente: FELIX, J.

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FELIX, J.:

We have before Us two separate petitions to review two independent decisions of the Workmen's Compensation Commissioner rendered in W. C. C. Case No. 9601 and W-C. C. Case No. 9585 instituted by two different claimants represented by the same counsel. As the issues in both cases arose out of identical sets of facts and involve the same question of law, We will pass upon them jointly and thresh the matter in a single decision.

Case G. R. No. L-10708.—Dezon Castillo was a crew-member of the vessel S. S. Regulus who was reported missing when that ill-fated vessel, owned by Madrigal Shipping Co., Inc., sank off the coast of Panay on November 2, 1949. On January 19, 1950, Felipe Castillo, the father of said Dezon Castillo, filed with the Bureau of Labor a notice of injury and claim for compensation for the death of his son, and in accordance therewith, the Director of Labor, then acting as referee pursuant to Public Act No. 3428, issued a letter of computation advising the shipping company that therein claimant was entitled to compensation in the amount of P1,359.80 (Annex B). Although there is no proof that the company actually received such letter of computation, there appears also no evidence that it was not served on the shipping company. At any rate, the record bears out the fact that Madrigal Shipping Co., Inc., failed to comply with the said advice and petitioner Castillo, aided by lawyers from the Bureau of Labor, filed with the Municipal Court of Manila a complaint against said company (Civil Case No. 11509) on May 15, 1950, claiming for the amount of P1,359.80 as compensation for the death of his son, plus interests and costs (Annex C).

On August 28, 1950, the parties entered into a compromise agreement wherein petitioner upon receipt of the sum of P332 waived and renounced whatever claim he may have for compensation against the shipping company (Annex D) and even signed a formal deed of release and waiver to this effect (Annex D-1). This agreement which also contained a prayer for the dismissal of the complaint with prejudice was duly approved by the court in its decision of August 31, 1950 (Annex E).

In February, 1955, after the passage of Republic No. 772, approved June 20, 1952, whereby the office of the Workmen's Compensation Commission was created in the Department of Labor (section 6), Felipe Castillo filed a petition with said Commission praying for the revision of his claim for compensation against the shipping company. A referee of the Commission investigated the matter and on October 17, 1955, rendered decision finding him a partial dependent of his deceased son Deson Castillo, for whose death he was entitled to compensation in the amount of P1,349.80 which was equivalent to 25 per cent of the average weekly wages of the decedent for 208 weeks. As he had already received the sum of P332 from Madrigal Shipping Co., Inc., the referee required the former to pay on^{ly} the balance amounting to P1,027.80 plus P14 as fee of the Commission

(Annex G).

From this holding, the company appealed to the Commissioner who reversed the same and ruled that the decision rendered, by the Municipal Court of Manila pursuant to the compromise agreement entered into by the parties was already final and unappealable and constituted *res judicata* on the claim of petitioner. The petition was thus dismissed without costs (Annex A).

Case G. R. No. L-10709.—Similarly situated as Dezon Castillo, Federico Canino was an ordinary seamen of the vessel S.S. *Regulus* that sank when it met the path of a typhoon off the coast of Panay on November 2, 1949, and was also, presumed to have perished in that disaster. Crispin Canino, his father, who was totally dependent on him for support filed with the Bureau of Labor on January 17, 1950, a notice and claim for compensation for the death of his son and accordingly, the Director of Labor issued a letter of computation dated January 23, 1950, advising Madrigal Shipping Co., Inc., that claimant was entitled to compensation in the amount of P2,175.68, which was equivalent to 40 per cent of the decedent's weekly wages for 208 weeks (Annex B).

Upon the company's failure to comply with said letter of computation, claimant Crispin Canino represented by counsel from the Bureau of Labor, filed a complaint with the Court of First Instance of Manila (Civil Case No. 10926) demanding the aforementioned amount from Madrigal Shipping Co., Inc., (Annex C). On August 9, 1950, Crispin Canino and the Madrigal Shipping Co., Inc., reached an agreement to settle the claim amicably. Upon receipt of the sum of P332, Crispin Canino signed a release and waiver deed wherein he stated that he entered into that agreement fully aware of the provisions of Act 3428, the same having been explained to him (Annexes E and E-1). Acting upon said amicable settlement, the Court of First Instance of Manila on the same day ordered the dismissal of the complaint with prejudice (Annex F).

In February, 1955, also after the passage of the law creating the Workmen's Compensation Commission, Crispin Canino filed a petition with said Commission reviving his claim for compensation for the death of his son Federico against the Madrigal Shipping Co., Inc., and this time prayed for the payment to him of the balance of P1,843.68. As the referee who investigated the matter granted the demand of claimant and ordered the company to pay to Crispin Canino the amount of P1,843.68, (Annex I), Madrigal Shipping Co., Inc., appealed to the Commissioner who, in turn, reversed said ruling and held that the order of the Court of First Instance of Manila in Civil Case No. 10926 dismissing the case therein with prejudice pursuant to the compromise agreement between the parties was final and had the authority and effect of *res judicata* from the time of its issuance. The petition was thus dismissed without costs (Annex A).

In both instances, claimants Felipe Castillo and Crispin Canino filed with this Court petitions for the review of the decisions of the Workmen's Compensation Commissioner.

There is no question that petitioners Felipe Castillo and Crispin Canino entered into an amicable settlement with Madrigal Shipping Co., Inc., wherein upon receipt of the sum of P332, each of them renounced and waived any further claim that they might have against said company, Castillo's agreement having been duly approved by the Municipal Court of Manila and Canino's agreement by the Court of First Instance of said city, which agreements were made the basis of the respective orders of dismissal of the complaints filed in said Courts where the cases were then pending consideration.

The question of law in both instances is whether taking into account the law on the matter at the time said cases were compromised, the decisions rendered thereon by the Municipal Court and the Court of First Instance of Manila (Annex E of L-10708 and Annex F of L-10709) are valid and constitute *res judicata* on the respective demands of herein petitioners, and, consequently, whether or not said decisions would bar any claim for compensation which Felipe Castillo and Crispin Canino may have by reason of the death met by their sons while

working as crew-members of the vessel S.S. Regulus.

Petitioners in trying to justify the revival of their claims against the company cited the provisions of section 29 of Act No. 3428 (Workmen's Compensation Act), as amended, which reads as follows:

SEC. 29. Agreement on Compensation.—In case tile employer and the injured laborer or the dependents entitled to compensation arrive at an agreement concerning the compensation provided by this Act, such agreement in order to be valid, shall provide, at least, the game amount as that prescribed by this Act and must be approved by the Workmen's Compensation Commissioner, or any of his authorized representatives: * * *.

They stress that as the amount of P332 which each of them received in full satisfaction of their claims in virtue of the compromise agreements is very much less than that provided for by the Workmen's Compensation Act, said agreements are null and void. Furthermore, they also maintain that the compromise agreements in question partake of the nature of contracts that minimize or exempt the employer from his liability under the law, a specific form of contract that is prohibited by section 7 of the same Act which provides the following:

SEC. 7. Contract Prohibited.—Any contract regulation, or device of any sort intended to exempt the employer from all or part of the liability created by this Act shall be null and void.

Driving home their point, petitioners contend that as the compromise agreements are void ab initio, the decisions of the Municipal Court and the Court of First Instance of Manila based on these agreements are likewise complete nullity and do not have the force of res judicata on the claims of petitioners.

Against the logic of petitioners, We have to bear in mind the following: Section 7 of Act 3428 regarding prohibited contracts cannot be invoked in these cases because the agreements entered into by herein petitioners with the Madrigal Shipping Co., Inc., were not prohibited contracts but valid ones under the terms of the law then existing.

Section 29 of the same Act is indeed the pertinent rule on the matter, but We have to take cognizance of the fact that petitioners are predicating their stand on said provision of Act 3428 as amended by Republic Act No. 772, which took effect on June 20, 1952. Prior to this latest amendment, section 29 of the Workmen's Compensation Act, as amended by section 9 of Act 3812 (approved, December 8, 1930), reads as follows:

SEC. 29. Agreement on Compensation.—In ease the employer and the injured laborer or the dependent or dependents entitled to compensation arrive at an agreement concerning the compensation provided for by this Act, such agreement, in order to be valid, shall be in the form of a public instrument acknowledged before the justice of the peace of the locality and attested by two witnesses, one of whom shall be the municipal treasurer or the person acting in his stead if the accident occurred outside the City of Manila; and in the City of Manila before a duly authorized notary public, attested likewise by two witnesses, one of whom shall be the Director of the Bureau of Labor or its representative. Before receiving' the acknowledgment of the instrument, the justice of the peace or notary public, as the case may be, shall fully inform the injured laborer or dependent or dependents, executing the instrument in his stead, of all their rights and privileges under this Act, reading and translating to them into the vernacular dialect they know, in case they do not understand English or Spanish, the provisions of this Act establishing the amounts and periods of compensation and other privileges to which they are entitled by reason of the accident, and shall certify in the acknowledgment clause that all these requisites have been complied with. * * *

The records show that the deeds of Formal Release and Waiver (Annex D-1 of L-10708 and Annex E-1 of L-10709, are both duly executed before a notary public in the City of Manila, containing substantially the requirements of the aforequoted provision regarding the reading and translating into the dialect known to the dependents of the provisions of the Workmen's Compensation Act under which they are entitled to compensation.

Moreover, these deeds and the compromise agreements were duly filed with and approved by the Courts. In both instances, the lawyers from the Bureau of Labor who were representing the claimants appear to have signed. Considering, therefore, that the decisions of the Municipal Court and the Court of First Instance of Manila dismissing the demands of claimants therein with prejudice, in pursuance of their compromise agreements which were allowed by the law then in force, have been issued on August 31, 1950 (in the case of Castillo) and on August 9, 1950 (in the case of Canino) and had long become final, and as said decisions are valid for being in accordance with law, said decisions bind herein petitioners and constitute *res judicata* on whatever claim petitioners may have against the company arising out of the death of Dezon Castillo and Federico Canino.

Wherefore, the decisions of the Workmen's Compensation Commissioner in W. C. C. Cases Nos. 6601 (G. B. No. L-10708) and 9585 (G. R. No. L-10709), that are subject of these proceedings, are hereby affirmed, without pronouncement as to costs. It is so ordered.

Paras, C. J. Bengzon, Padilla,, Montemayor, Reyes, A., Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L. and Endencia, JJ.,concur.

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