Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

ERNESTO D. ARRIESGADO,
Petitioner,

- versus -

MULTINATIONAL MARITIME, INC., MMS. CO. LTD. and/or CAPT. BANNY B. BRIONES,*
Respondents.

G.R. No. 275424

Present:

GESMUNDO,
Chairperson,
HERNANDO,
ZALAMEDA,
ROSARIO, and
MARQUEZ, *JJ.*

Promulgated:
APR 29 2026

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DECISION

HERNANDO, *J.*:

Before the Court is a Petition for Review on *Certiorari*[1] filed by Ernesto D. Arriesgado (Ernesto) against Multinational Maritime, Inc. (MMI), MMS. Co., Ltd. (MMS), and the President of MMI, Captain Banny B. Briones[2] (Capt. Briones) (collectively, respondents) seeking to set aside the Decision[3] and the Resolution[4] of the Court of Appeals (CA) in CA-G.R. SP No. 180275.

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* Also referred to as Benny B. Briones in some parts of the records.

1 *Rollo*, pp. 29–88, 103–106.

2 *See id.* at 536.

3 *Id.* at 8–18. The February 14, 2024 Decision in CA-G.R. SP No. 180275 was penned by Associate Justice Marlene B. Gonzales-Sison and concurred in by Associate Justices Perpetua Susana T. Atal-Paño and Maximo M. De Leon of the Sixth Division, Court of Appeals, Manila.

4 *Id.* at 20–22. The July 19, 2024 Resolution in CA-G.R. SP No. 180275 was penned by Associate Justice Marlene B. Gonzales-Sison and concurred in by Associate Justices Perpetua Susana T. Atal-Paño and Maximo M. De Leon of the Former Sixth Division, Court of Appeals, Manila.

The CA ascribed grave abuse of discretion on the part of the National Labor Relations Commission (NLRC) when the latter granted Ernesto's claim for total and permanent disability benefits and attorney's fees in its Decision[5] and Resolution[6] in NLRC LAC No. 04-000177-23. The NLRC, in turn, reversed the Decision[7] of the labor arbiter (LA) in NLRC NCR Case No. (M) 11-00263-21.

Antecedents

The facts, as culled from the records, are as follows:

On October 9, 2020, Ernesto was hired by MMI on behalf of its foreign principal, MMS, as an oiler with a basic monthly salary of USD 641.00 on board the vessel MV "Kariyushi Leader" for a period of nine months.[8] He was deployed on October 27, 2020.[9]

On January 10, 2021, Ernesto joined a basketball game between the vessel's deck and engine teams. During the game, his left abdomen was elbowed during a sudden pivot maneuver. This caused immense pain and shortness of breath which forced him out of the game.[10] Afterwards, Ernesto complained about the pain to the duty officer. He was given pain relievers, a pain-relieving patch, and hot compress. He continued performing light duties as an oiler and was placed under monitoring before and after his duties.[11]

On January 18, 2021, Captain Cipriano T. Totilla, Jr. (Capt. Totilla) communicated the incident to Dr. Jose Emmanuel F. Gonzales (Dr. Gonzales), the company-designated physician. Capt. Totilla requested for medical advice, offshore medical check-up, and x-ray for Ernesto's condition. Dr. Gonzales advised Ernesto to take one tablet of ibuprofen every six hours and to apply warm compress on the injured area. He inquired about the severity of the injury because that time, it was difficult to arrange an offshore medical check-up due to the pandemic. Ernesto persistently complained of chest pain, but he cannot pinpoint the exact area that suffers from abdominal tenderness. Thus, he insisted to undergo an offshore medical check-up. Ultimately, Dr. Gonzales deferred to the shipmaster's decision on whether to accommodate Ernesto's requests.[12]

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5 *Id.* at 448–465. The May 10, 2023 Decision in NLRC LAC No. 04-000177-23 was penned by Commissioner Cecilio Alejandro C. Villanueva and concurred in by Presiding Commissioner Victor C. Avecilla and Commissioner Jose C. Del Valle, Jr. of the Third Division, National Labor Relations Commission, Quezon City.

6 *Id.* at 502–505. The June 15, 2023 Resolution in NLRC LAC No. 04-000177-23 was penned by Commissioner Cecilio Alejandro C. Villanueva and concurred in by Presiding Commissioner Victor C. Avecilla and Commissioner Jose C. Del Valle, Jr. of the Third Division, National Labor Relations Commission, Quezon City.

7 *Id.* at 355–368. The December 28, 2022 Decision in NLRC NCR Case No. (M) 11-00263-21 was penned by Labor Arbiter Marvin R. Osias of the National Labor Relations Commission, Quezon City.

8 *See id.* at 147.

9 *See id.* at 172.

10 *See id.* at 36–37.

11 *See id.* at 314.

12 *See id.* at 314–320.

On January 25, 2021, Ernesto underwent general examination, x-ray, and blood examination at Honmoku Hospital, Yokohama, Japan. The Report of Medical/Dental Treatment[13] issued by Dr. Jun Sugiyama (Dr. Sugiyama) showed the following diagnoses: 1) fracture of left costal cartilage; 2) contusion on left abdominal region; 3) hyperuricemia; and 4) incomplete fracture on left rib = No. 10. The physician remarked that Ernesto was unfit for duty and recommended that he be signed off the vessel at the earliest convenient port for further examination and treatment.[14] He was medically repatriated to the Philippines on even date.[15]

On January 26, 2021, Ernesto contacted the ship's representative, Ms. Haydee Aquino (Aquino),[16] to request for post-employment medical examination. The latter advised him to complete the COVID-19 mandatory quarantine period first before proceeding to Dr. Gonzales.[17]

After the mandatory quarantine, Ernesto was assessed by Dr. Gonzales on February 1, 2021. The medical report states that there was no rib fracture but only a contusion. Dr. Gonzales advised Ernesto to refrain from any strenuous activity and to reapply his chest strap to prevent further injuries. He was prescribed nonsteroidal anti-inflammatory/ analgesic drugs (NSAIDs) for pain management.[18]

On February 3, 2021, Dr. Gonzales issued a report addressed to Capt. Briones, with a copy furnished to Aquino, informing them that Ernesto's contusion, secondary to trauma, is not work-related given that it is not one of the illnesses or diseases listed under Sections 32 and 32-A of the Philippines Overseas Employment Administration's (POEA) Memorandum Circular No. 10, series of 2010, i.e., the Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-Board Ocean-Going Ships (2010 POEA-SEC). He stated that Ernesto will be treated conservatively without the need for surgical intervention. Consequently, he is expected to return to work after two to three weeks. However, Dr. Gonzales explained that the compensability of Ernesto's injury is a legal issue which is beyond his competence to determine.[19]

On February 8, 2021, Dr. Gonzales reported that Ernesto had lesser pain intensity over his left chest. He stated that it will take two to three weeks before the pain subsides. The prescription for oral NSAIDs was maintained, with instruction to apply warm compress over the affected area.[20]

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13 *Id.* at 148.
14 *See id.*
15 *See id.* at 38.
16 Also referred to as Jade Aquino in some parts of the records.
17 *See rollo*, pp. 38–39, 207.
18 *See id.* at 200–201.
19 *See id.* at 202.
20 *See id.* at 204.

On March 4, 2021, Dr. Gonzales reported that he called Ernesto the preceding day to ask about his current condition. Ernesto relayed that he still feels mild pain, hence, Dr. Gonzales maintained the prescription for oral NSAIDs and advised continuous application of warm compress. Again, he assured that no surgical intervention is necessary.[21]

On March 19, 2021, Dr. Gonzales reported that Ernesto's left chest is still mildly tender. At that time, Ernesto expressed his desire to seek a second opinion from Makati Medical Center and schedule a consultation regarding his kidney due to a noticeable decrease in the volume of his urine. Dr. Gonzales advised him to continue taking oral NSAIDs and to undergo computed tomography (CT) scan.[22]

On March 25, 2021, Dr. Gonzales reported that he was surprised to see Ernesto with a cane and limping gait. Ernesto told Dr. Gonzales that his chest pain had radiated to his lower extremities. Dr. Gonzales intimated his doubt as to the sudden pain on Ernesto's legs on the day that he was supposed to issue a medical clearance. When asked about the CT scan result, Ernesto responded that he was not able to do it yet due to his fear of going to the hospital because of the pandemic. Dr. Gonzales changed Ernesto's prescription for pain to dexketoprofen. Then, Ernesto asked him if he will receive compensation for his complaint, but Dr. Gonzales told him that he does not know and advised him to discuss the matter personally with the agency.[23]

On April 12, 2021, Dr. Gonzales reported that Ernesto was no longer using his cane but there is still tenderness over his left chest. Again, he expressed his doubts as to the situation of Ernesto because three months have already passed since the basketball incident happened. He is uncertain whether Ernesto is malingering or not. Nonetheless, he referred Ernesto to a specialist and prescribed tramadol and paracetamol for pain.[24]

On April 23, 2021, Dr. Gonzales reported that Ernesto was still in moderate pain despite the lapse of three months. Given Ernesto's attitude, Dr. Gonzales told him that it has been more than 120 days [sic] since he first reported for treatment. Due to the lack of improvement on his condition in spite of consistent pain management, Dr. Gonzales advised him to just talk to the agency regarding his future treatment.[25]

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21 *See id.* at 205.
22 *See id.* at 206.
23 *See id.* at 208.
24 *See id.* at 209.
25 *See id.* at 210.

These circumstances led Ernesto to consult with his own physician, Dr. Manuel Fidel M. Magtira (Dr. Magtira), who, after a series of tests, required him to undergo a CT scan.[26] The CT Scan Report[27] dated April 27, 2021 reads:

> **CHEST (PLAIN)**
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> Multislice plain CT images of the chest were obtained.
>
> Both lungs are well-aerated.
> Subsegmental atelectasis is noted in the lingular segment of the upper lobe.
> No active parenchymal infiltrates noted.
> No pulmonary or hilar mass seen.
> No bronchiectatic changes noted.
> Heart is not enlarged.
> No enlarged mediastinal lymph nodes seen.
> Tracheal airway and mainstem bronchi are patent.
> The major vascular structures are not unusual.
> No pericardial or pleural effusion noted.
> The visualized osseous structures are unremarkable.
> No frank radiographic evidence of fracture noted.
> Incidental note of a 1.7 x 1.5 cm right hepatic hypodense nodule likely hepatic cyst.
>
> **IMPRESSION**:
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> SUBSEGMENTAL ATELECTASIS, LEFT UPPER LOBE.
> OTHE[R]WISE, UNREMARKABLE PLAIN CT STUDY OF THE CHEST.[28] (Emphasis in the original)

On May 5, 2021, Dr. Gonzales issued a report stating that Ernesto has failed to report to him for a follow-up checkup. He mentioned that during Ernesto's last checkup, he stated that he is no longer interested in going back to his sea duties and that he wants to get justice for the basketball incident which happened in January 2021.[29]

In a medical report[30] dated May 10, 2021, Dr. Magtira explained that prior to the injury sustained by Ernesto on board the vessel, he never suffered from any pain on his left chest with difficulty in breathing. Thus, he was declared permanently unfit in any capacity for further sea duties considering the significant reduction in his pre-injury capacity.[31]

In a letter[32] dated May 18, 2021, Ernesto, through counsel, informed MMI that the company-designated physician discontinued his treatment and failed to

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[26] *See id.* at 40.
[27] *Id.* at 153.
[28] *Id.*
[29] *See id.* at 211.
[30] *Id.* at 154–155.
[31] *See id.*
[32] *Id.* at 156–157.

inform him of his final assessment. Hence, he consulted an independent physician who declared him totally and permanently unfit for sea duties. Thus, Ernesto asked MMI to refer the matter to a third doctor for medical opinion. He also reiterated his request for copies of his final medical assessment and all medical reports pertaining to his treatment in accordance with Section 20(F) of the 2010 POEA-SEC which states that "[w]hen requested, the seafarer shall be furnished a copy of all pertinent medical reports or any records at no cost to the seafarer."[33]

In a letter[34] dated May 28, 2021, MMI, through counsel, responded that Ernesto was still under medical treatment with the company-designated physician who is waiting for a copy of Ernesto's CT scan result and other supporting medical records after he claimed that his chest pain resulted in other medical concerns. They requested a copy of the independent physician's medical report and stated that they will fully consider the referral to a third doctor after receipt of the same.[35]

On August 12, 2021, Dr. Gonzales issued his 10th and final report, stating that Dr. Magtira, an orthopedic surgeon at the Armed Forces of the Philippines (AFP), is the preferred physician of seafarers who intend to seek a second opinion. He also mentioned that Dr. Magtira had issued the same "copy-paste" certifications to different seafarers.[36]

Dr. Gonzales reiterated that Ernesto failed to undergo a CT scan due to his fear of contracting COVID-19 from the hospital. He noted that after Ernesto's initial consistent compliance with his follow-up checkups, he suddenly stopped going to the clinic when he decided to file a claim. Given these, Dr. Gonzales concluded that Ernesto's true intention is to fund his retirement by claiming disability benefits. He even made it appear that he was seriously incapacitated by having a cane and limping gait despite the lapse of three months from the basketball incident. Dr. Gonzales added that since there were no rib fractures, the injury will not render him unfit to work. He emphasized that all the necessary medications were provided to Ernesto, but even supposing that he is given medications for a year or two, he will not be cured because his true intention is to file a claim.[37]

On July 8, 2021, MMI and Capt. Briones received a grievance conference notice from the legal department of the Associated Marine Officers' and Seamen's Union of the Philippines (AMOSUP) regarding the claim for disability benefits of Ernesto.[38] Unfortunately, the parties failed to reach an

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[33] *See id.*
[34] *Id.* at 214–215.
[35] *See id.* at 214.
[36] *See id.* at 233.
[37] *See id.*
[38] *See id.* at 175 and 217.

amicable settlement; hence, the grievance procedure was terminated on September 7, 2021.[39]

On September 20, 2021, Ernesto filed a complaint[40] via the single-entry approach (SeNA) before the National Capital Region (NCR) Arbitration Branch of the NLRC against MMI and Capt. Briones for total and permanent disability benefits, moral and exemplary damages, and attorney's fees.[41] Again, the parties failed to reach an amicable settlement; thus, the SeNA proceedings were closed and terminated.[42]

On November 9, 2021, Ernesto formally filed a complaint[43] for total and permanent disability benefits, moral and exemplary damages, and attorney's fees before the NCR Arbitration Branch of the NLRC.[44]

In his Position Paper,[45] Ernesto argued that his injury is work-related because it was sustained while he was employed on board the respondents' vessel. Consequently, even if the accident happened during a period of rest and recreation, it is considered work-related because the employer pays for the employees' time from the moment they leave their homes until they return home.[46] Ernesto also contended that his right to due process was violated because the company-designated physician did not furnish him a copy of his final medical assessment.[47] As a result, he was prompted to consult an independent physician who, after a series of tests, declared him permanently unfit in any capacity for further sea duties.[48] Considering the foregoing, he claimed that he is entitled to USD 104,866.00 as the applicable collective bargaining agreement (CBA) contains a permanent medical unfitness clause which entitles a seafarer who is deemed permanently unfit for further sea service in any capacity to such amount. He likewise sought the payment of moral and exemplary damages and attorney's fees because the respondents were in bad faith in deliberately disregarding his medical and financial needs. Finally, he argued that respondents are jointly and solidarily liable for the payment of his claims pursuant to the pertinent provisions of the 2016 Revised POEA Rules and Regulations Governing the Recruitment and Employment of Seafarers and the Migrant Workers and Overseas Filipinos Act of 1995, as amended.[49]

On the other hand, the respondents argued in their Position Paper[50] that Ernesto's injury is not work-related because it was sustained during a basketball

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39 *See id.* at 175.
40 *Id.* at 218.
41 *See id.*
42 *See id.* at 175.
43 *Id.* at 228–229.
44 *See id.*
45 *Id.* at 107–146.
46 *See id.* at 120–122.
47 *See id.* at 117–120.
48 *See id.* at 123–125.
49 *See id.* at 141–142.
50 *Id.* at 171–192.

game which was undertaken by the crew members purely for leisure, recreation, and for their general well-being. They cited the case of *Guerrero v. Philippine Transmarine Carriers, Inc.*[51] where the Court denied the claim for disability benefits of a casino dealer who sustained an injury while working out in the crew gym on board the vessel.[52] The respondents contended that the Court's ruling in *Guerrero* is applicable in this case because Ernesto sustained his injury while engaging in an activity which is not included in nor incidental to his duties as an oiler.[53] Moreover, they claimed that Ernesto is merely malingering as shown by his misrepresentation that his chest pain had radiated to his lower extremities without any supporting evidence. In fact, the supposed pain in his lower extremities disappeared during his next consultation with the company-designated physician.[54] The respondents added that Ernesto is guilty of medical abandonment since he failed to adhere to the company-designated physician's advice for him to return for consultation every two weeks. As such, Ernesto's claim is premature considering that he engaged the services of a lawyer prior to the lapse of 120 days from his initial consultation with the company-designated physician.[55] Too, Ernesto's claims for moral and exemplary damages and attorney's fees are baseless because despite the fact that the respondents defrayed the expenses for his treatment, he opted to prematurely file a claim.[56] Lastly, Capt. Briones should be dropped as a respondent since he did not commit any act against the interests of Ernesto.[57]

Ruling of the LA

In a Decision dated December 28, 2022, the LA ruled in favor of the respondents. The dispositive portion thereof reads:

> **WHEREFORE**, premises considered, judgment is hereby rendered **DISMISSING** the complaint for lack of merit.
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> All other claims are likewise dismissed for lack of merit.
>
> **SO ORDERED.**[58] (Emphasis in the original)

The LA held that Ernesto is not entitled to disability benefits because he failed to prove by substantial evidence that his injury is work-related. It explained that Ernesto failed to establish how his injury may be attributed to his work as an oiler since it is undisputed that it was sustained during a basketball game, a period of rest and recreation.[59]

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51 841 Phil. 407 (2018) [Per J. Peralta, Third Division].
52 *See id.* at 418.
53 *See rollo*, pp. 176–178.
54 *See id.* at 178.
55 *See id.* at 179.
56 *See id.* at 183.
57 *See id.* at 185.
58 *Id.* at 368.
59 *See id.* at 365–367.

Aggrieved, Ernesto appealed before the NLRC.[60]

Ruling of the NLRC

In a Decision[61] dated May 10, 2023, the NLRC reversed the LA's ruling and ruled in favor of Ernesto. The dispositive portion thereof reads:

> **WHEREFORE**, the *Appeal* filed by Complainant is hereby **GRANTED**. The *Decision* dated [December 28, 2022] of Labor Arbiter Marvin R. Osias is hereby **REVERSED and SET ASIDE**. Respondents are hereby solidarily held liable to pay Complainant his total and permanent disability benefits in the amount of [USD] 104,866.00 and an addition [sic] ten percent (10%) thereof as attorney's fees.
>
> **SO ORDERED.**[62] (Emphasis in the original)

The NLRC held that the basketball activity is work-related since the respondents admitted that it was intended to be a recreational activity for the seafarers. In such case, the improvement on the seafarers' well-being would ultimately redound to the benefit of the employer because it will result in better performance.[63]

The NLRC explained that the Court's ruling in *Guerrero* is not applicable here because in said case, the casino dealer sustained his injury while he was working out in the ship's gym on his own and for his own leisure only. Here, Ernesto sustained his injury during a basketball game that was planned and organized by the respondents for its crew members.[64]

On the issue of medical abandonment, the NLRC ruled that Ernesto's claim is more aligned with the evidence on record. The medical report[65] dated April 23, 2021 shows how Dr. Gonzales advised Ernesto to just talk to the agency regarding his future treatment due to the lack of improvement on his condition despite the lapse of three months from his medical repatriation. Ernesto was justified in treating such notice as the termination of his medical treatment.[66] Thus, when Dr. Gonzales terminated Ernesto's medical treatment without issuing a final assessment, his disability became total and permanent by operation of law.[67]

The NLRC held that respondents are solidarily liable to pay Ernesto USD 104,866.00 in accordance with their CBA. It also granted Ernesto's prayer for the award of attorney's fees equivalent to 10% of the total monetary award.

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60 *See id.* at 369–410.
61 *Id.* at 448–465.
62 *Id.* at 464.
63 *See id.* at 459.
64 *See id.* at 460–461.
65 *Id.* at. 210.
66 *See id.* at 461–463.
67 *See id.* at 463–464.

However, it denied his claim for moral and exemplary damages for failure to prove bad faith on the part of respondents.[68]

The respondents sought reconsideration,[69] but the NLRC denied the same in its Resolution[70] dated June 15, 2023.

Ruling of the CA

In a Decision[71] dated February 14, 2024, the CA reversed the NLRC ruling and ruled in favor of respondents. The dispositive portion thereof reads:

> **WHEREFORE**, premises considered, the petition for *certiorari* is hereby **GRANTED**. The Decision dated May 10, 2023 and the Resolution dated June 15, 2023 of the National Labor Relations Commission, Quezon City, Third Division in NLRC LAC No. 04-000177-23, are **REVERSED and SET ASIDE**. The Decision dated December 28, 2022 of the Labor Arbiter in NLRC NCR Case No. (M)11-00263-21 is hereby **REINSTATED**.
>
> **SO ORDERED**.[72] (Emphasis in the original)

The CA held that the NLRC committed grave abuse of discretion when it found Ernesto's injury to be work-related and compensable. It applied the Court's pronouncement in *Guerrero* that the seafarer bears the burden of proving the work-causation of his or her injury. Ernesto failed to establish a reasonable connection between his work as an oiler and the injury he sustained while leisurely playing a basketball game, like *Guerrero*, whose duties as a casino dealer do not include working out in the ship's gym.[73]

Additionally, the CA ruled that the NLRC erred in concluding that the basketball game is a company-organized event merely because of the following factors: (1) respondents' admission that it was for the well-being of its crew members, (2) the players were divided into the deck and engine teams, and (3) most of the crew members participated in the game. To the CA, the crew members were only allowed to play, but there is nothing in the records that would indicate that the game was organized by the respondents.[74]

Ernesto sought reconsideration,[75] but the CA denied the same in its Resolution[76] dated July 19, 2024.

Hence, this petition.

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68 *See id.* at 464.
69 *See id.* at 466–482.
70 *Id.* at 502–505.
71 *Id.* at 8–18.
72 *Id.* at 17.
73 *See id.* at 15–16.
74 *See id.* at 16–17.
75 *See id.* at 540–565.
76 *Id.* at 20–22.

Issue

Did the CA err in ruling that the NLRC committed grave abuse of discretion in granting Ernesto's claims for total and permanent disability benefits and attorney's fees?

Our Ruling

The petition is meritorious.

In a petition for review on *certiorari* under Rule 45 of the Rules of Court, it is settled that the Court is limited to the review of pure questions of law,[77] or those which arise only when there is doubt as to what the law is on a certain state of facts, and when the resolution of the issues does not require the examination of the probative value of the evidence presented by the parties.[78]

Nonetheless, by way of exception, the Court is allowed to delve into factual issues and review the probative value of the evidence presented by the parties when the findings of the labor tribunals and the CA are conflicting, as in this case.[79] Corollarily, in reviewing the CA's ruling in labor cases, the Court is bound to examine the assailed decision in the same context that the petition for *certiorari* was presented before the CA. In other words, the Court must look into the correctness of the CA's determination of the presence or absence of grave abuse of discretion on the part of the NLRC.[80] At this juncture, the Court's ruling in *Kho, Sr. v. Magbanua*[81] is instructive:

> [G]rave abuse of discretion connotes a capricious and whimsical exercise of judgment, done in a despotic manner by reason of passion or personal hostility, the character of which being so patent and gross as to amount to an evasion of positive duty or to a virtual refusal to perform the duty enjoined by or to act at all in contemplation of law.
>
> In labor cases, grave abuse of discretion may be ascribed to the NLRC when its findings and conclusions are not supported by substantial evidence, which refers to that amount of relevant evidence that a reasonable mind might accept as adequate to justify a conclusion. Thus, if the NLRC's ruling has basis in the evidence and the applicable law and jurisprudence, then no grave abuse of

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77 RULES OF COURT, Rule 45, sec. 1, as amended by A.M. No. 07-7-12-SC, December 4, 2007, states:
A party desiring to appeal by *certiorari* from a judgment, final order or resolution of the Court of Appeals, the Sandiganbayan, the Court of Tax Appeals, the Regional Trial Court or other courts, whenever authorized by law, may file with the Supreme Court a verified petition for review on *certiorari*. The petition may include an application for a writ of preliminary injunction or other provisional remedies and shall raise only questions of law, which must be distinctly set forth. The petitioner may seek the same provisional remedies by verified motion filed in the same action or proceeding at any time during its pendency.

78 *See Republic v. Malabanan*, 646 Phil. 631, 637–638 [Per J. Villarama, Jr., Third Division]. (Citation omitted)

79 *See Systems and Plan Integrator and Development Corp. v. Ballesteros*, 922 Phil. 659, 666 (2022) [Per J. Hernando, Second Division]. (Citation omitted)

80 *See Kho, Sr. v. Magbanua*, 858 Phil. 409, 417–418 (2019) [Per J. Perlas-Bernabe, Second Division]. (Citation omitted)

81 858 Phil. 409 (2019) [Per J. Perlas-Bernabe, Second Division].

discretion exists and the CA should so declare, and accordingly, dismiss the petition.[82] (Citations omitted)

Accordingly, We find that the CA erred in ascribing grave abuse of discretion on the part of the NLRC, as will be discussed below.

The entitlement of a seafarer to disability benefits is governed by the following:

1. By *law*, specifically Articles 197 to 199[83] of the Labor Code in relation to Rule X, Section 2(a),[84] of the Amended Rules on Employees' Compensation,
2. By *contract*, i.e., the 2010 POEA-SEC, which is deemed incorporated in every seafarer's employment contract and considered to be the minimum requirements acceptable to the government, the parties' CBA, if any, and the employment agreement between the seafarer and employer, and
3. By relevant and well-grounded *medical findings* issued by the company-designated physician, the seafarer's independent physician, and a jointly-designated third physician in accordance with the guidelines under Section 20 of the 2010 POEA-SEC.[85]

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[82] *Id.* at 418.

[83] **ART. 197. [191] Temporary Total Disability.** — (a) Under such regulations as the Commission may approve, any employee under this Title who sustains an injury or contracts sickness resulting in temporary total disability shall, for each day of such a disability or fraction thereof, be paid by the System an income benefit equivalent to ninety percent of his [or her] average daily salary credit, subject to the following conditions: the daily income benefit shall not be less than Ten Pesos nor more than Ninety Pesos, nor paid for a continuous period longer than one hundred twenty days, except as otherwise provided for in the Rules, and the System shall be notified of the injury or sickness.

. . . .

ART. 198. [192] Permanent Total Disability. — (a) Under such regulations as the Commission may approve, any employee under this Title who contracts sickness or sustains an injury resulting in his [or her] permanent total disability shall, for each month until his [or her] death, be paid by the System during such a disability, an amount equivalent to the monthly income benefit, plus ten percent thereof for each dependent child, but not exceeding five, beginning with the youngest and without substitution: *Provided,* That the monthly income benefit shall be the new amount of the monthly benefit for all covered pensioners, effective upon approval of this Decree.

. . . .

(c) the following disabilities shall be deemed total and permanent:

(1) Temporary total disability lasting continuously for more than one hundred twenty days, except as otherwise provided for in the Rules[.]

. . . .

ART. 199. [193] Permanent Partial Disability. — (a) Under such regulations as the Commission may approve, any employee under this Title who contracts sickness or sustains an injury resulting in permanent partial disability shall, for each month not exceeding the period designated herein, be paid by the System during such a disability an income benefit for permanent total disability.

[84] **SECTION 2. Period of entitlement.** — (a) The income benefit shall be paid beginning on the first day of such disability. If caused by an injury or sickness it shall not be paid longer than 120 consecutive days except where such injury or sickness still requires medical attendance beyond 120 days but not to exceed 240 days from onset of disability in which case benefit for temporary total disability shall be paid. However, the System may declare the total and permanent status at any time after 120 days of continuous temporary total disability as may be warranted by the degree of actual loss or impairment of physical or mental functions as determined by the System.

[85] *See Deocariza v. Fleet Management Services Philippines, Inc.*, 836 Phil. 1087, 1098–1099 (2018) [Per J. Perlas-Bernabe, Second Division].

The 2010 POEA-SEC applies to Ernesto since he was hired in 2020. Moreover, as stipulated in the subject employment contract,[86] the parties are bound by the JSU-AMOSUP Advanced CBA for Japanese Flag[87] between All Japan Seamen's Union (AJSU), jointly with AMOSUP-PTGWO-ITF, and Mannex Marine Enterprise Co., Ltd. represented by MMI. Its effectivity is from January 1, 2019 to December 31, 2020, with provision for automatic renewal in the event that a ship is on an incomplete voyage at the time of the expiration of the agreement.[88]

The injury sustained during the basketball game on board the vessel is work-related

In the case of *Arguilles v. Wilhelmsen Smith Bell Manning, Inc.*,[89] the Court was similarly confronted with the issue of compensability of an injury sustained during a basketball game on board the vessel. The petitioner therein suffered an injury in his left ankle while playing basketball with his colleagues during their free time. The Court, in determining the work-relatedness of the injury, discussed two pertinent jurisprudential precepts, namely, the Bunkhouse Rule and the Personal Comfort Doctrine, thus:

> The Bunkhouse Rule was characterized by the [*Corpus Juris Secundum*] in the following manner:
>
> > When the contract of employment contemplates that the employee shall sleep, or have his [or her] meals, or do both on the premises of the employer, the employee is considered to be performing services growing out of, and incidental to, or in the course of, such employment during the time he [or she] is on the premises of the employer for such purposes before or after the regular working hours.
>
> Admittedly, there is a scarcity of jurisprudential discussions in this jurisdiction with regard to the Bunkhouse Rule. The most recent evaluation of this precept can be traced back to the 1980 case of *Uy v. Workmen's Compensation Commission*, where the Court aptly defined the Bunkhouse Rule as one 'where the employee is required to stay in the premises or in quarters furnished by the employer, injuries sustained therein are in the course of employment *regardless of the time the same occurred*.' Thus, the Court is constrained to take a glimpse at foreign jurisprudence to enhance Our understanding of this seldom-visited legal principle. Although foreign case law is merely persuasive authority and this Court is not bound by the same, they may nevertheless provide a useful framework in our own examination of the scope and application of the Bunkhouse Rule.
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> In *Larson v. Industrial Accident Commission*, the Supreme Court of California declared that the test in determining the application of the Bunkhouse

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86 *See rollo*, p. 147.
87 *Id.* at 266–299.
88 *See id.* at 268.
89 943 Phil. 733 (2023) [Per J. Gaerlan, Third Division].

Rule is whether or not the employee is given a choice in the matter of where to live and is as free as possible to come or go as he or she pleases. The basic underpinning for this test, as explained by the Court of Appeals of Oregon in *Leo Polehn Orchards v. Hernandez*, is that it is the obligation of employment to be on the premises that creates the risk of injury to the employee; when the employee is free to leave when he or she pleases, that employment connection does not exist. And in *Rodgers v. Kemper Construction Company*, the Court of Appeals of California declared that:

> [W]here social or recreational pursuits on the employer's premises after hours are endorsed by the express or implied permission of the employer and are 'conceivably' of some benefit to the employer *or*, even in the absence of proof of benefit, if such activities have become 'a customary incident of the employment relationship,' an employee engaged in such pursuits after hours is still acting within the scope of his [or her] employment.

Indeed, as summarized by the Supreme Court of Pennsylvania in *O'Rourke v. Workers' Compensation Appeal Board*, the Bunkhouse Rule imposes workers' compensation liability on an employer that requires its workers to live in employer-furnished premises, which the employer controls, maintains, and uses for its benefit.

Prescinding from the foregoing, one can discern that the basis of compensability under the Bunkhouse Rule is when employees are required by the nature of their work to stay within the premises of their respective employers.

. . . .

[On the other hand,] the Personal Comfort Doctrine [provides that] 'the course of employment is not considered broken by certain acts relating to the personal comfort of the employee, as such acts are helpful to the employer in that they aid in efficient performance by the employee. On the other hand, acts which are found to be departures effecting a temporary abandonment of employment are not protected.'

In the magniloquent, though antiquated, language of the Supreme Court of California in *Whiting-Mead Commercial Co. v. Industrial Accident Commission*:

> Such acts as are necessary to the life, comfort, and convenience of the servant while at work, though strictly personal to himself [or herself], and not acts of service, are incidental to the service, and injury sustained in the performance thereof is deemed to have arisen out of the employment. A [person] must breathe and occasionally drink water while at work. In these and other conceivable instances [they] [minister] unto [themselves], but in a remote sense these acts contribute to the furtherance of his work [. . .] That such acts will be done in the course of employment is necessarily contemplated, and they are inevitable incidents. Such dangers as attend them, therefore, are incidental dangers. At the same time injuries occasioned by them are accidents resulting from the employment.

Verily, breaks which allow employees to administer to their personal comfort better enable them to perform their jobs and are therefore considered to be in furtherance of the employer's business. Although technically the employees

> are performing no services for their employer in the sense that their actions do not contribute directly to the employer's profits, compensation is justified on the rationale that the employer receives indirect benefits in the form of better work from happy and rested employees, and on the theory that such minor deviations do not take the employees out of their employment.[90] (Emphasis in the original, citations omitted)

Relevantly, in line with the Court's rulings in *Uy v. Workmen's Compensation Commission*[91] and *Arguilles*, the Employees' Compensation Commission issued Board Resolution No. 24-12-40 dated December 12, 2024, wherein it declared as compensable the injuries, including the resulting disability or death, sustained by seafarers during their free time or beyond their regular working hours while on board a vessel, subject to the limitations provided under Article 178[92] (formerly Article 172) of Presidential Decree No. 626, as amended.

With the foregoing in mind, it is indubitable that seafarers, such as Ernesto, are covered by the Bunkhouse Rule given that by the nature of their work, they are required to stay in the ship's premises of their respective employers for the duration of their employment contracts. Inevitably, if they sustain an injury while administering to their personal comforts or engaging in recreational activities that are expressly or impliedly sanctioned by their employers to improve their well-being, such injury is deemed work-related, subject to the limitations under Section 20(D) of the 2010 POEA-SEC, which states:

> SECTION 20. Compensation and Benefits. —
>
> . . . .
>
> D. No compensation and benefits shall be payable in respect of any injury, incapacity, disability or death of the seafarer resulting from his [or her] willful or criminal act or intentional breach of his duties, provided however, that the employer can prove that such injury, incapacity, disability or death is directly attributable to the seafarer.

Hence, to negate compensability, the employer has the burden of proving by substantial evidence that: (1) the injury, incapacity, or disability is directly attributable to the seafarer; (2) the seafarer committed a crime or willful breach of duties; and (3) the causation between the injury, incapacity, or disability, and the crime or breach of duties.[93]

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[90] *Id.* at 746–748.

[91] 186 Phil. 156, 171 (1980) [Per J. Makasiar, First Division].

[92] **Art. 178. [172] Limitation of Liability.** – The State Insurance Fund shall be liable for compensation to the employee or his [or her] dependents, except when the disability or death was occasioned by the employee's intoxication, willful intention to injure or kill himself or another, notorious negligence, or otherwise provided under this Title.

[93] *See Arguilles v. Wilhelmsen Smith Bell Manning, Inc.*, 943 Phil. 733, 751 (2023) [Per J. Gaerlan, Third Division]. (Citation omitted)

In this case, the respondents failed to show that Ernesto committed a crime or willful breach of duty that caused his injury. Conversely, as correctly noted by the NLRC, the respondents admitted that the basketball game was intended to be a recreational activity for the seafarers. Indeed, ultimately, the improvement on the seafarers' well-being would redound to the benefit of the employer because it will result in better performance.[94]

The Court rejects respondents' insistence that the Court's pronouncement in *Guerrero* should be applied here because Ernesto failed to prove that playing basketball is within the scope of his duties as an oiler or incidental thereto. To recall, in *Guerrero*, the Court denied the claim for disability benefits of a casino dealer who sustained an injury while working out in the ship's gym.

It is fitting to stress that Ernesto's injury is disputably presumed as work-related pursuant to Section 20(A)(4) of the 2010 POEA-SEC because it is not one of those mentioned under Section 32 thereof. At any rate, while it is settled that this disputable presumption does not dispense with the seafarer's burden of proving by substantial evidence that his or her injury is work-related, i.e., that it arose out of and in the course of employment,[95] We have already settled that the compensability of Ernesto's basketball injury is justified under the Bunkhouse Rule and the Personal Comfort Doctrine.

Besides, several other factors were considered by the Court in denying the claim for disability benefits in *Guerrero*, namely: (1) the seafarer proffered conflicting claims as to how he sustained his injury, (2) his contention that his disability has become total and permanent was belatedly raised on appeal, and (3) the declaration of the independent physician that the seafarer is unfit for further sea service in whatever capacity as a seafarer was not supported by any relevant diagnostic tests and/or procedures.[96]

The respondents, however, contend that *Arguilles* is not applicable here because the contract therein is governed by a different CBA which explicitly states that a seafarer's participation in recreational activities, such as sports and games, is considered part of their board and lodging within the employer's vessel.[97] Whereas in this case, Article XXVII, Section 1 on Accommodation, Recreational Facilities, Catering, and Communications, etc. of the JSU-AMOSUP Advanced CBA provides:

> **SECTION 1** The Company shall provide, as a minimum, accommodation, recreational facilities and food and catering services in accordance with the standards specified in Title 3 to the

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94 *See rollo*, p. 459.

95 *See Ilustricimo v. NYK-Fil Ship Management, Inc.*, 834 Phil. 693, 701–702 (2018) [Per J. Velasco, Jr., Third Division]. *See also Guerrero v. Philippine Transmarine Carriers, Inc.*, 841 Phil. 407, 417–418 (2018) [Per J. Peralta, Third Division].

96 *See Guerrero v. Philippine Transmarine Carriers, Inc.*, 841 Phil. 407, 417–423 (2018) [Per J. Peralta, Third Division].

97 *See rollo*, p. 614.

> [International Labour Organization (ILO)] Maritime Labour Convention 2006 and shall give due consideration to the Guidelines in that Convention.[98]

In turn, the standards specified in Title 3 to the ILO Maritime Labour Convention 2006 pertaining to recreational facilities provides:

> *Standard A3.1 – Accommodation and recreational facilities*
>
> . . . .
>
> 17. Appropriate seafarers' recreational facilities, amenities and services, as adapted to meet the special needs of seafarers who must live and work on ships, shall be provided on board for the benefit of all seafarers, taking into account Regulation 4.3 and the associated Code provisions on health and safety protection and accident prevention.
>
> . . . .
>
> Guideline B3.1.11 – Recreational facilities, mail and ship visit arrangements
>
> 1. Recreational facilities and services should be reviewed frequently to ensure that they are appropriate in the light of changes in the needs of seafarers resulting from technical, operational and other developments in the shipping industry.
>
> 2. *Furnishings for recreational facilities should as a minimum include a bookcase and facilities for reading, writing and, where practicable, games.*
>
> 3. In connection with the planning of recreation facilities, the competent authority should give consideration to the provision of a canteen.
>
> 4. Consideration should also be given to including the following facilities at no cost to the seafarer, *where practicable*:
>
> (a) a smoking room;
> (b) television viewing and the reception of radio broadcasts;
> (c) showing of films, the stock of which should be adequate for the duration of the voyage and, where necessary, changed at reasonable intervals;
> (d) *sports equipment including exercise equipment, table games and deck games*;
> (e) where possible, facilities for swimming;
> (f) a library containing vocational and other books, the stock of which should be adequate for the duration of the voyage and changed at reasonable intervals;
> (g) facilities for recreational handicrafts;
> (h) electronic equipment such as a radio, television, video recorders, DVD/CD player, personal computer and software and cassette recorder/player;
> (i) where appropriate, the provision of bars on board for seafarers unless these are contrary to national, religious or social customs; and
> (j) reasonable access to ship-to-shore telephone communications, and email and [i]nternet facilities, where available, with any

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[98] *Id.* at 284.

> charges for the use of these services being reasonable in amount.[99] (Emphasis supplied)

To the respondents, it is evident that unlike in *Arguilles*, recreational activities such as sports and games are not an integral part of a seafarer's accommodation under the JSU-AMOSUP Advanced CBA.[100]

The respondents' argument is untenable. It bears stressing that in *Arguilles*, the Court mainly applied the provisions of the 2010 POEA-SEC in holding that the basketball injury was work-related, to wit:

> Under the definition of terms of the POEA SEC, a work-related injury is an 'injury arising out of and in the course of employment.' Nowhere in this definition is it required that a seafarer must suffer an injury while he or she is actually performing his or her duties. Section 2(A) of the POEA SEC also provides that the employment contract of the seafarer shall be effective until his or her date of arrival at the point of hire upon termination of his or her employment.
>
> Relatedly, under Section 1(A)(4) of the POEA SEC, an employer is duty-bound to 'provide a seaworthy ship for the seafarer and take all reasonable precautions to prevent accident and injury to the crew including provision of safety equipment, fire prevention, safe and proper navigation of the ship and such other precautions necessary to avoid accident, injury or sickness to the seafarer.'
>
> It is beyond cavil that petitioner's injury was sustained while his employment contract was still in effect and while he was still on board M/V Toronto. Accordingly, he suffered his injury in the course of his employment. This squarely falls within the POEA SEC's definition of a work-related injury.[101] (Citation omitted)

Certainly, the accommodation of more recreational facilities in the CBA in *Arguilles* and the grant thereof only *where practicable* in the present JSU-AMOSUP Advanced CBA have no bearing in determining the work-relatedness of an injury because this matter is governed by the 2010 POEA-SEC.

Substantial compliance with the three-day reportorial requirement under Section 20(A)(3) of the 2010 POEA-SEC

Under Section 20(A)(3) of the 2010 POEA-SEC, a seafarer seeking disability benefits is required to submit to post-employment medical examination by a company-designated physician within three working days

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[99] *Id.* at 614–616.

[100] *See id.* at 616.

[101] *Arguilles v. Wilhelmsen Smith Bell Manning, Inc.*, 943 Phil. 733, 750–751 (2023) [Per J. Gaerlan, Third Division].

from medical repatriation.[102] However, this rule admits certain exceptions, namely: (1) when the seafarer is incapacitated to report to the employer upon repatriation; and (2) when the employer inadvertently or deliberately refused to submit the seafarer to a post-employment medical examination by a company-designated physician.[103] In *Caraan v. Grieg Philippines, Inc.*,[104] the Court explained:

> Reporting to the company within [three] days from repatriation is required so that the company-designated physician can promptly arrive at a medical diagnosis, considering that he [or she] has either 120 or 240 days, depending on the circumstances, within which to complete the assessment of the seafarer; otherwise, the disability claim should be granted. Reporting to the company immediately would make it easier for a physician to determine the cause of illness or injury. Beyond the three-day period, it may prove difficult to ascertain the real cause of the illness or injury.
>
> But *the three-day period filtering mechanism is not a bright line test. It is not an all-or-nothing requirement that non-compliance automatically means disqualification.* The three-day period cannot be interpreted in this manner. For the whole concept of disability benefits to workers is an affirmative social legislation, and the disability benefits in question are a specie[s] of this broad gamut of affirmative social legislation.[105] (Emphasis supplied, citations omitted)

As established, Ernesto sustained his injury on January 10, 2021 during a basketball game on board the vessel.[106] On January 25, 2021, he underwent general examination, x-ray, and blood examination at Honmoku Hospital, Yokohama, Japan, and was declared unfit for duty.[107] He was medically repatriated to the Philippines on even date.[108] The following day, he immediately requested to undergo post-employment medical examination from the ship's representative, Aquino, who advised him to complete the COVID-19 mandatory quarantine period first before proceeding to Dr. Gonzales.[109] Thus, he was initially examined by Dr. Gonzales only on February 1, 2021,[110] seven days after his medical repatriation.

While it is apparent that the three-day reportorial requirement was not strictly followed, the Court, *sua sponte*, considers that there is substantial compliance considering that Ernesto immediately contacted the ship's representative a day after his medical repatriation to submit himself to post-employment medical examination by a company-designated physician.

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[102] *See Caraan v. Grieg Philippines, Inc.*, 902 Phil. 310, 315–316 (2021) [Per J. Lazaro-Javier, Second Division].

[103] *See Malicdem v. Asia Bulk Transport Phils., Inc.*, 854 Phil. 358, 377 (2019) [Per J. Caguioa, Second Division], *citing De Andres v. Diamond H Marine Services & Shipping Agency, Inc.*, 813 Phil. 746, 763 (2017) [Per J. Mendoza, Second Division].

[104] 902 Phil. 310 [Per J. Lazaro-Javier, Second Division].

[105] *Id.* at 316.

[106] *See rollo*, p. 36.

[107] *See id.* at 148.

[108] *See id.* at 38.

[109] *See id.* at 38–39, and 207.

[110] *See id.* at 200–201.

Admittedly, it was the respondents who advised Ernesto to comply with the quarantine requirement prior to undergoing post-employment medical examination. Rightfully so, the respondents did not contest the compensability of Ernesto's injury on this ground.

Indeed, the delay was inevitable because it was caused by a government-mandated protocol during the pandemic. Therefore, the Court holds that strict compliance with the three-day reportorial requirement may be justifiably dispensed with since neither party was at fault and they were both informed of the prevailing conditions that were undisputedly beyond their control.

Ernesto is not guilty of medical abandonment

In addition to the three-day reportorial requirement upon medical repatriation, Section 20(A)(3) of the 2010 POEA-SEC requires the seafarer "[to] report regularly to the company-designated physician specifically on the dates as prescribed by the company-designated physician and agreed to by the seafarer. Failure of the seafarer to comply with the mandatory reporting requirement shall result in his [or her] forfeiture of the right to claim [disability] benefits."

On this score, Ernesto argues that he is not guilty of medical abandonment because it was Dr. Gonzales who terminated his treatment without issuing a final medical assessment.[111] In defense, the respondents claim that it was Ernesto who failed to report to Dr. Gonzales for follow-up checkup after their consultation on April 23, 2021, and that he failed to present any official communication from them regarding the termination of his treatment.[112]

We affirm the NLRC in ruling that Ernesto's claim is more consistent with the evidence on record. The medical report[113] dated April 23, 2021 of Dr. Gonzales reads:

> This is a follow up medical progress report on the case of Oiler Ernesto Arriesgado who is still under treatment for his complaint of left sided chest pain secondary to trauma.
>
> He reported this morning and physical examination findings still showed in moderate pain, despite 3 months had already passed.
>
> With his attitude and whatever he has on his mind, we explained to Mr. Arriesgado that it has been more than 120 days [sic] already, since he reported to us, for treatment. And despite of pain management that we gave to him, there seems that there was no relief he had gained [sic].

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[111] *See id.* at 80.
[112] *See id.* at 617.
[113] *Id.* at 210.

> We told him to talk to his agency for the final decision regarding his future treatment.[114]

Moreover, the records show that from the time of Ernesto's initial assessment on February 1, 2021 until April 23, 2021, he consistently reported to Dr. Gonzales for treatment.[115] When he asked for an explanation about the discontinuation of his treatment, Dr. Gonzales referred him to the respondents because the reports are confidential and intended exclusively for the reference of respondents.[116] On the other hand, Aquino merely asked for a copy of Ernesto's CT scan result.[117]

We note that in the respondents' Reply[118] before the NLRC, they claimed that Dr. Gonzales never recommended Ernesto for CT scan; rather, it was Ernesto who manifested his intention to seek second opinion and undergo a CT scan.[119] This is inconsistent with the medical reports of Dr. Gonzales stating that he advised Ernesto to undergo a CT scan but the latter failed to do so due to the pandemic.[120]

Whereas, Ernesto explained that Dr. Gonzales refused to issue a referral therefor.[121] Verily, while Dr. Gonzales repeatedly faulted Ernesto for failing to submit his CT scan result, nothing in the records indicates that Dr. Gonzales indeed issued a referral to allow Ernesto to undergo a CT scan.

Consequently, the Court finds Ernesto's claim to be more credible as the chronology of events reveals that he honestly believed that Dr. Gonzales discontinued his treatment on April 23, 2021. As a matter of fact, that is what prompted him to consult Dr. Magtira. The latter, in turn, similarly instructed him to undergo a CT scan which was conducted on April 27, 2021.[122]

The complaint for disability benefits was not prematurely filed

Proceeding from the claim of medical abandonment, the respondents argue that Ernesto's complaint for disability benefits was prematurely filed because he engaged the services of a lawyer prior to the lapse of 120 days from his initial consultation with the company-designated physician.[123]

We disagree.

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[114] *Id.*
[115] *See id.* at 200–206, 208–210.
[116] *See id.* at 39.
[117] *See id.* at 40.
[118] *Id.* at 300–311.
[119] *See id.* at 302.
[120] *See id.* at 206, 208, and 233.
[121] *See id.* at 40.
[122] *See id.* at 153.
[123] *See id.* at 179.

It bears stressing that engaging the services of a lawyer is not tantamount to filing a complaint. The respondents are mistaken in interpreting that Ernesto initiated the complaint against them on May 18, 2021 when he wrote them a letter, through counsel, informing them of the discontinuation of his treatment, requesting the referral of the matter to a third doctor, and reiterating his request for copies of all his medical records and final assessment.[124]

On the contrary, the records show that Ernesto filed the complaint before the NCR Arbitration Branch of the NLRC only on November 9, 2021.[125] Given that Ernesto was medically repatriated on January 25, 2021, the 120th day fell on May 25, 2021. Thus, the filing of the complaint was not premature.

The company-designated physician's failure to issue a valid and timely medical assessment that is deemed final, complete, and definite rendered Ernesto's disability total and permanent by operation of law

In *Elburg Shipmanagement Phils., Inc. v. Quiogue, Jr.*,[126] the Court laid down the following guidelines for seafarers' claims for total and permanent disability benefits, to wit:

> 1. The company-designated physician must issue a final medical assessment on the seafarer's disability grading within a period of 120 days from the time the seafarer reported to him [or her];
>
> 2. If the company-designated physician fails to give [an] assessment within the period of 120 days, without any justifiable reason, then the seafarer's disability becomes permanent and total;
>
> 3. If the company-designated physician fails to give [an] assessment within the period of 120 days with a sufficient justification[,] [e.g.,] seafarer required further medical treatment or seafarer was uncooperative[,] then the period of diagnosis and treatment shall be extended to 240 days. The employer has the burden to prove that the company-designated physician has sufficient justification to extend the period; and
>
> 4. If the company-designated physician still fails to give [an] assessment within the extended period of 240 days, then the seafarer's disability becomes permanent and total, regardless of any justification.[127]

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[124] *See id.* at 156–157.
[125] *See id.* at 228–229.
[126] 765 Phil. 341 (2015) [Per J. Mendoza, Second Division].
[127] *Id.* at 362–363.

Meanwhile, the Court's ruling in *Pastrana v. Bahia Shipping Services*[128] clarified that "[w]hile *Elburg* states that the 120 or 240-day periods shall be reckoned 'from the time the seafarer reported to [the company-designated physician],'" it should be interpreted as "requiring the company-designated physician to issue a final and definitive disability assessment *within 120 or 240 days from the date of the seafarer's repatriation.*"[129]

Relatedly, in *Ampo-on v. Reinier Pacific International Shipping, Inc.*,[130] the Court emphasized the necessity of issuing a valid and timely final, complete, and definite medical assessment and the effect of noncompliance therewith, viz.:

> The responsibility of the company-designated physician to arrive at a definite assessment within the prescribed periods necessitates that the perceived disability rating has been properly established and inscribed in a valid and timely medical report. To be conclusive and to give proper disability benefits to the seafarer, this assessment must be **complete and definite**; otherwise, the medical report shall be set aside and the disability grading contained therein shall be ignored. As case law holds, a final and definite disability assessment is necessary in order to truly reflect the true extent of the sickness or injuries of the seafarer and his or her capacity to resume work as such.
>
> Failure of the company-designated physician to arrive at a definite assessment of the seafarer's fitness to work or permanent disability within the prescribed periods and if the seafarer's medical condition remains unresolved, the law steps in to consider the latter's disability as total and permanent.[131] (Emphasis in the original, citations omitted)

In the present case, the final medical report[132] dated August 12, 2021 of Dr. Gonzales reads:

> As per the medical certificate from the Orthopedic Surgeon from Armed Forces of the Philippines Hospital, as we have noticed from other seafarer who wanted to have another opinion, the same doctor has been their favorite and same 'copy paste' certification has been issued to different seafarers [sic].
>
> Mr. Arriesgado had told us that he would subject him to Chest CT scan, since he has cousin at Makati Medical Center, but every time we asked the result, he would tell us that he has not yet had his scan, because he feared of contracting Covid in the hospital [sic].
>
> Every time he would report to our clinic, we instruct him to have his check up every 2 weeks, which he complied, until that time he had decided to file a claim [sic].

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[128] 873 Phil. 892 (2020) [Per J. Caguioa, First Division].
[129] *Id.* at 905–906. (Emphasis supplied)
[130] 853 Phil. 483 (2019) [Per J. Perlas-Bernabe, Second Division].
[131] *Id.* at 492–493.
[132] *Rollo*, p. 233.

> From the history that we sent to the agency, you will notice that he has already, at the back of his mind, a detailed intention/program for his retirement, which is claim [sic].
>
> It will be hard for any doctor to treat this kind of mentality.
>
> He fabricated excuses just to show us that he is seriously incapacitated, [j]ust what he did, having a cane and a limping gait for his original complaint of left lateral chest pain, which was already 3 month duration [sic]?
>
> As for the treatment of chest blunt trauma with or without rib fractures and no underlying lung injury/pathology, no surgical intervention is necessary. Only oral pain reliever/anti[-]inflammatory and chest strap are needed. And we had rendered these to him [sic].
>
> It will not render this kind of injury unfit for work [sic], once he completed the treatment.
>
> For his case, even if we give him medications for one year or two, he will not be cured, because of his claim to validate [sic].[133]

The subject report utterly failed to satisfy the requirements under the 2010 POEA-SEC. For one, it was issued on August 12, 2021, way beyond the expiration of the 120-day period on May 25, 2021. Also, it failed to reflect the true extent of Ernesto's basketball injury and his capacity to resume work. Instead, it merely insinuated that Ernesto was malingering and that his true intention was to file a claim. Assuming this was true, Dr. Gonzales should have just validly terminated Ernesto's treatment within the 120-day period by issuing a complete and definite assessment of his medical condition and fitness to work.

The respondents justify Dr. Gonzales' failure to issue a final medical assessment by claiming that Ernesto abandoned his medical treatment.[134] However, as previously discussed, the respondents' claim of medical abandonment is untenable considering that it was Dr. Gonzales who abruptly discontinued Ernesto's treatment.

Additionally, in *Gere v. Anglo-Eastern Crew Management Phils., Inc.*,[135] the Court held that a company-designated physician who fails to issue *and* give his or her final medical assessment to the seafarer violates the latter's right to due process, thus:

> [I]t must be emphasized that the company-designated physician must not only 'issue' a final medical assessment of the seafarer's medical condition. He [or she] must also—and the Court cannot emphasize this enough—'give' his assessment to the seafarer concerned. That is to say that the seafarer must be fully and properly informed of his [or her] medical condition. The results of his/her medical examinations, the treatments extended to him/her, the diagnosis and

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[133] *Id.*
[134] *See id.* at 618.
[135] 830 Phil. 695 (2018) [Per J. Reyes, Jr., Second Division].

> prognosis, if needed, and, of course, his/her disability grading must be fully explained to him/her by no less than the company-designated physician.
>
> **In this regard, the company-designated physician is mandated to issue a medical certificate, which should be personally received by the seafarer, or, if not practicable, sent to him/her by any other means sanctioned by present rules.** For indeed, proper notice is one of the cornerstones of due process, and the seafarer must be accorded the same especially so in cases where his/her well-being is at stake.[136] (Emphasis in the original)

Here, there is no showing that the respondents heeded Ernesto's request to be furnished copies of all the medical reports pertaining to his treatment. Notably, the records indicate that all the medical reports issued by Dr. Gonzales were addressed only to Capt. Briones and Aquino,[137] while the final medical report dated August 12, 2021 was addressed to Capt. Briones, Aquino, Kristine Cengca, and Atty. Joseph Rebano.[138] This is a clear violation of Section 20(F) of the 2010 POEA-SEC which mandates that "[w]hen requested, the seafarer shall be furnished a copy of all pertinent medical reports or any records at no cost to the seafarer."

While the Court recognized in *Bunayog v. Foscon Shipmanagement, Inc.*[139] that the employer has the concomitant right to be furnished with the medical assessments and findings of the seafarer's independent physician,[140] this presupposes that the seafarer was duly and properly informed of the medical assessment of the company-designated physician, as pronounced in *Gere*.[141]

Ergo, even if the respondents were rightfully entitled to consider their receipt of the independent physician's report as a condition *sine qua non* for initiating the mandatory third doctor referral rule,[142] the lack of a final, complete, and definite medical assessment from the company-designated physician left Ernesto with nothing to contest. As a result, his disability has become total and permanent by operation of law.

At this point, however, the Court deems it proper to note that Dr. Magtira's medical assessment lacks sufficient scientific basis. His medical report[143] dated May 10, 2021 reads:

> This is the case of ***Mr. Ernesto D. Arriesgado***, 49[-]year[-]old male, married, resident of 306 San Isidro St., Brgy. Holy Spirit, Quezo[n] City. He presents with pain on the chest area. His condition apparently started on January 10, 2021 when the patient was hit on his chest area while playing basketball on

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[136] *Id.* at 706.
[137] *See rollo*, pp. 200–206, and 208–211.
[138] *See id.* at 233.
[139] 941 Phil. 383 (2023) [Per J. Gaerlan, *En Banc*].
[140] *See id.* at 393–394.
[141] *See Gere v. Anglo-Eastern Crew Management Phils., Inc.*, 830 Phil. 695, 708 (2018) [Per J. Reyes, Jr., Second Division].
[142] *See rollo*, pp. 156–157, and 214–215.
[143] *Id.* at 154–155.

aboard [sic] the ship M/V Kariyushi Leader where he works as an oiler, sustaining injury to his thoracic cage. First aid was initially done and was confined to his cabin [sic]. The condition persisted and proved to be progressing. On January 25, 2021[,] he was brought to a hospital in Japan wherein X-ray was done which reveals rib fracture, left wherein application of chest strap was done and he was given several unrecalled medication which he claim to afford no relief [sic]. He was declared unfit and was subsequently repatriated on January 25, 2021. On February 1, 2021 he was brought to Merita clinic wherein X-ray was done and was treated conservatively. He was also subjected to physiotherapy.

On physical examination revealed [sic] a well[-]nourished, well[-]developed ambulatory patient. He complained of tenderness on the left chest thoracic area upon deep breathing, warm to touch, no hematoma noted. No motor or sensory deficit noted.

Result of CT scan done at Exact Check Diagnostic Center dated; 4/27/2021.

IMPRESSION:

Subsegmental Atelectasis, left upper lobe.

Mr. Arriesgado, continues to complain pain on the left chest area with difficulty of deep breathing. He complained of tenderness on the thoracic area. He has lost his pre-injury capacity and is **UNFIT** to work back at his previous occupation. **Mr. Arriesgado** is now permanently disable [sic].

Rib fractures are the most common consequence of blunt trauma to the thorax. They may cause injury to the underlying lungs. Fractures of the first rib result from great force, and injury to the great vessels may also be present. In sternal fractures, an underlying cardiac injury must be suspected. Contusions results [sic] from blunt trauma that causes [sic] capillary disruption of the lung, with consequent intra-alveolar hemorrhage, edema, and obstruction of the small airways. A tracheobronchial injury must be suspected if a collapsed lung fails to expand after insertion of an intercostal tube. If blunt trauma causes extensive rib fractures paradoxical chest wall movement may occur. Paradoxical movement itself may cause respiratory difficulty, but the amount of the respiratory difficulty is usually related to the underlying lung injury, which may be extensive.

Other functional outcomes that may be less easy to quantify are emotional well-being and quality of life. Many studies show that people with musculoskeletal conditions have increased psychological distress compared with the general population. Evidence also shows a strong correlation between clinical and functional outcomes: the poorer the status on clinical variables[,] the poorer the status on psychological variables. Changes in clinical outcome as measured by disease status, however, have been shown to influence the incidence of depression less than other factors, such as social and psychological support, coping skills, and pain.

Functional requirements vary from sedentary patient with low activity requirements, though those patients with more physical demanding work [sic], **Mr. Arriesgado** never had any pain on his left chest area with difficulty of breathing until this injury he sustained on board the vessel. This has resulted in a significant reduction in his pre[-]injury capacity level. It is for this reason that a permanent modification in **Mr. Arriesgado**['s] activities is suggested. I am

> therefore recommending a partial permanent disability. He is now permanently **UNFIT** in any capacity for further sea duties.[144] (Emphasis in the original)

A plain reading of Dr. Magtira's medical report shows that he merely narrated the results of Ernesto's physical examination and CT scan, and then proceeded to make a discussion on the causes and effects of rib fractures. Notably, after describing Ernesto's subsisting pain complaints, Dr. Magtira hastily declared him as unfit to work without any other supporting diagnostic test or procedure other than the CT scan. Thus, the Court refuses to lend credence to Dr. Magtira's vague and irrelevant medical report.

In any case, despite the invalidity of Dr. Magtira's assessment, Ernesto remains lawfully entitled to total and permanent disability benefits because of the company-designated physician's failure to issue and give a valid and timely medical assessment that is deemed final, complete, and definite. As a matter of fact, such failure already rendered Dr. Magtira's certification superfluous due to the violation of Ernesto's right to due process.

Amount of disability benefits and differential sickness allowance

Ernesto claims that he is entitled to USD 104,866.00 pursuant to the JSU-AMOSUP Advanced CBA,[145] the pertinent provisions of which state:

> **Article XXI : Disability**
>
> . . . .
>
> **SECTION 2** The disability suffered by the Seafarer *shall be determined by a doctor appointed by the Company*, and the Company shall provide disability compensation to the Seafarer in accordance with the percentage specified in the table below which is appropriate to this disability.
>
> . . . .
>
> **SECTION 4** A Seafarer whose disability, in accordance with SECTION 2 above is assessed at [50%] or more under the attached APPENDIX B shall, for the purpose of this paragraph, be regarded as permanently unfit for further sea service in any capacity and be entitled to [100%] compensation. Furthermore, any seafarer assessed at less than [50%] disability but *certified as permanently unfit for further sea service in any capacity by the Company-nominated doctor*, shall also be entitled to [100%] compensation.[146] (Emphasis supplied)

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[144] *Id.*
[145] *See id.* at 83–84, 279.
[146] *Id.* at 278–279.

Accordingly, for a seafarer to be entitled to disability compensation under the CBA, it is the company-nominated doctor who must assess the degree of disability and determine his or her capacity to return to work.

Here, it is clear from the records that the company-designated physician did not issue a certification as to Ernesto's medical unfitness to work because he intimated his doubts as to Ernesto's condition and even concluded that he was only malingering. Besides, even if the Court is allowed to consider the independent physician's certification, it would not support Ernesto's claim under the CBA due to its lack of scientific basis.

Notwithstanding the foregoing, Ernesto is entitled to the amount of total and permanent disability benefit provided under Section 32 of the 2010 POEA-SEC in the amount of USD 60,000.00, to be paid in Philippine currency computed at the prevailing exchange rate at the time of payment.

Similarly, in *Gere*, the Court did not apply the provisions of the CBA because it requires that for a seafarer to be entitled to total and permanent disability benefits, the disability grading should be assessed at 50% or more, or, the company-designated physician must certify that the seafarer is medically unfit to continue work, even if the disability grading is less than 50%. Considering that the independent physician's assessment therein translates only to an impediment grade of 33.59%, and that the company-designated physician did not issue a certification stating that the seafarer was medically unfit to continue performing his duties, the Court awarded USD 60,000.00 as total and permanent disability benefit in accordance with the 2010 POEA-SEC, instead of USD 95,949.00 under the CBA.[147]

Too, We hold that Ernesto is entitled to sickness allowance pursuant to Section 20(A)(3) of the 2010 POEA-SEC which states:

> 3. In addition to [the] obligation of the employer to provide medical attention, the seafarer shall also receive sickness allowance from his [or her] employer in an amount equivalent to his[or her] basic wage computed from the time he[or she] signed off until he [or she] is declared fit to work or the degree of disability has been assessed by the company-designated physician. The period within which the seafarer shall be entitled to his [or her] sickness allowance shall not exceed 120 days. Payment of the sickness allowance shall be made on a regular basis, but not less than once a month.

In *Javier v. Philippine Transmarine Carriers, Inc.*,[148] the Court declared that the following obligations of the employer are separate and distinct from one another, i.e., the grant of one does not preclude the grant of the others, namely:

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[147] *See Gere v. Anglo-Eastern Crew Management Phils., Inc.*, 830 Phil. 695, 712–713 (2018) [Per J. Reyes, Jr., Second Division].

[148] 738 Phil. 374 (2014) [Per J. Brion, Second Division].

(1) to shoulder the seafarer's medical treatment, (1) to grant sickness allowance, and (3) to pay disability benefits as determined under the 2010 POEA-SEC.[149]

Consequently, We hold that Ernesto is entitled to sickness allowance in the amount of USD 2,564.00, representing his basic monthly salary of USD 641.00 multiplied by four months or 120 days pursuant to Section 20(A)(3) of the 2010 POEA-SEC.

Notably however, the records show that respondents already granted Ernesto sickness allowance totaling PHP 91,575.65, broken down as follows: (1) PHP 36,801.08 for the period of January 26, 2021 to February 28, 2021, paid on March 12, 2021, and (2) PHP 54,774.57 for the period of March 1, 2021 to April 23, 2021, paid on June 14, 2021.[150]

At this juncture, it is fitting to stress that Section 20(A)(3) of the 2010 POEA-SEC mandates that payment of sickness allowance shall be made on a regular basis, but not less than once a month. Here, We find it proper to reprimand the respondents because the three-month interval between the payment of the two tranches of sickness allowance shows that the second payment was merely an afterthought, essentially due to their position that Ernesto initiated the case against them on May 18, 2021 when he engaged the services of a lawyer.

In any case, since Ernesto did not dispute the payments made by respondents, the same shall be deducted from the total amount of sickness allowance due him.

As regards Ernesto's claims for reimbursement of medical and transportation expenses,[151] the same shall be denied because he failed to submit any supporting document or receipt therefor.

Moral and exemplary damages and attorney's fees

In *Chan v. Magsaysay Maritime Corp.*,[152] the Court explained the nature of moral and exemplary damages, to wit:

> Moral damages are awarded as compensation for actual injury suffered and not as a penalty. The award is proper when the employer's action was attended by bad faith or fraud, oppressive to labor, or done in a manner contrary to morals, good customs, or public policy. Bad faith is not simply bad judgment or

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[149] *See id.* at 388.
[150] *See rollo*, pp. 234–237.
[151] *See id.* at 84.
[152] 872 Phil. 1061 (2020) [Per J. Lazaro-Javier, First Division].

> negligence. It imports a dishonest purpose or some moral obliquity and conscious doing of wrong. It means a breach of a known duty through some motive or interest or ill will that partakes of the nature of fraud.
>
> Exemplary damages, on the other hand are imposed not to enrich one party or impoverish another but to serve as a deterrent against or as a negative incentive to curb socially deleterious actions, and may only be awarded in addition to the moral, temperate, liquidated or compensatory damages. In contracts and quasi-contracts, the court may award exemplary damages if the defendant acted in a wanton, fraudulent, reckless, oppressive, or malevolent manner.[153] (Citations omitted)

Here, the respondents' refusal to pay Ernesto's total and permanent disability benefits was grounded on their genuine, albeit mistaken, belief that his basketball injury was not work-related. Moreover, they shouldered Ernesto's medical treatment and granted him prorated sickness allowance until his last consultation with the company-designated physician. Therefore, We hold that respondents were not in bad faith. As a result, Ernesto is not entitled to moral and exemplary damages.

On the other hand, in *Pacific Ocean Manning, Inc. v. Bobiles*,[154] the Court clarified the key principles for awarding attorney's fees, thus:

> [A]ttorney's fees under Article 111 of the Labor Code are recoverable only where there is unlawful withholding of wages, not in cases involving only indemnification claims for disability or death. Anent attorney's fees under Article 2208(2) of the Civil Code, it is not sufficient that the plaintiff be compelled to litigate or incur expense to protect their interest. The litigation or incurrence of expense must be in relation to third persons. A contrary rule would make entitlement to attorney's fees the general rule instead of the exception and would negate the policy against placing a premium on the right to litigate. Finally, attorney's fees under Article 2208(8) of the Civil Code are recoverable only in actions for indemnity under workmen's compensation and employer's liability laws, not under contract.[155]

Clearly, Article 111 of the Labor Code does not apply here since this case does not involve unlawful withholding of wages but payment of disability compensation. Similarly, Article 2208(2) of the Civil Code finds no application because it presupposes that the litigation expense was incurred in relation to third persons. Likewise, Article 2208(8) of the Civil Code is inapplicable because Ernesto's action for indemnity does not fall under workmen's compensation and employer's liability laws but on contract, specifically, the 2010 POEA-SEC. Thus, We deny Ernesto's prayer for the award of attorney's fees.

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[153] *Id.* at 1083–1084.
[154] 959 Phil. 878 (2024) [Per J. Rosario, First Division].
[155] *Id.* at 878.

Entitlement to nominal damages due to violation of due process rights and the provisions of the 2010 POEA-SEC

Article 2221 of the Civil Code provides that "[n]ominal damages are adjudicated in order that a right of the plaintiff, which has been violated or invaded by the defendant, may be vindicated or recognized, and not for the purpose of indemnifying the plaintiff for any loss suffered by him [or her]." They are "recoverable where a legal right is technically violated and must be vindicated against an invasion that has produced no actual present loss of any kind or where there has been a breach of contract and no substantial injury or actual damages whatsoever have been or can be shown."[156] However, it is well to emphasize that "nominal damages cannot co-exist with actual or compensatory damages."[157]

By way of example, in cases involving dismissals for just or authorized causes but without observance of procedural due process, the Court has awarded nominal damages in the following amounts: (1) PHP 30,000.00 if based on just cause,[158] and (2) PHP 50,000.00 if based on authorized cause.[159]

In *Jaka Food Processing Corp. v. Pacot*,[160] the Court explained the difference in the treatment of the two causes, viz.:

> [I]t is wise to hold that: (1) if the dismissal is based on a just cause under Article [297 of the Labor Code] but the employer failed to comply with the notice requirement, the sanction to be imposed upon him [or her] should be *tempered* because the dismissal process was, in effect, initiated by an act imputable to the employee; and (2) if the dismissal is based on an authorized cause under [Articles 298 to 299 of the Labor Code] but the employer failed to comply with the notice requirement, the sanction should be *stiffer* because the dismissal process was initiated by the employer's exercise of [their] management prerogative.[161] (Emphasis in the original)

To reiterate, in *Gere*, the Court pronounced that the failure of the company-designated physician to fully and properly inform the seafarer of his or her

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[156] *Francisco v. Ferrer, Jr.*, 405 Phil. 741, 751 (2001) [Per J. Pardo, First Division]. (Citation omitted)

[157] *Armovit v. Court of Appeals*, 263 Phil. 412, 421 (2000) [Per J. Gancayco, First Division]. (Citation omitted)

[158] *See Bernardo v. Dimaya*, 914 Phil. 1, 13 (2021) [Per J. Gaerlan, Second Division]. *See also Bance v. University of St. Anthony*, 895 Phil. 412, 433 (2021) [Per J. Hernando, Third Division]; *Agabon v. NLRC*, 485 Phil. 248, 288 (2004) [Per J. Ynares-Santiago, *En Banc*].

[159] *See Del Pilar v. Batangas II Electric Cooperative, Inc.*, 871 Phil. 185, 206 (2020) [Per J. Hernando, Second Division]. *See also Mejila v. Wrigley Philippines, Inc.*, 862 Phil. 575, 589–590 [Per J. Jardeleza, First Division]; *Jaka Food Processing Corp. v. Pacot*, 494 Phil. 114, 121–122 (2005) [Per J. Garcia, *En Banc*].

[160] 494 Phil. 114 (2005) [Per J. Garcia, *En Banc*].

[161] *Id.* at 121.

medical condition constitutes a violation of the tenets of due process.[162] Moreover, this constitutes a violation of Section 20(F) of the 2010 POEA-SEC which mandates that "[w]hen requested, the seafarer shall be furnished a copy of all pertinent medical reports or any records at no cost to the seafarer."

Taking into account the respondents' failure to furnish Ernesto with copies of his medical records, and additionally, their belated payment of the second tranche of his sickness allowance, We find it just to award nominal damages in the amount of PHP 50,000.00. This sanction is proper given that the respondents could have so easily accommodated Ernesto's request as they have copies of all the pertinent medical reports, as in fact, the same were all addressed to them. Yet, deplorably, they refused to do so despite repeated requests and even failed to pay his sickness allowance on time.

Accordingly, following Our reasoning in *Agabon v. NLRC*,[163] We believe that this sanction is sufficient to deter employers and their company-designated physicians from future violations of the due process rights of seafarers and the mandatory provisions of the 2010 POEA-SEC. More so, this rightfully serves as a vindication of the fundamental rights granted to seafarers under the Labor Code, the 2010 POEA-SEC, and the relevant implementing rules and regulations.[164]

Joint and solidary liability

Section 10 of Republic Act No. 8042, otherwise known as the Migrant Workers and Overseas Filipinos Act of 1995, as amended by Section 7 of Republic Act No. 10022, states:

> SEC. 10. *Money Claims*[.]
>
> . . . .
>
> The liability of the principal/employer and the recruitment/placement agency for any and all claims under this section shall be joint and several. This provision shall be incorporated in the contract for overseas employment and shall be a condition precedent for its approval. The performance bond to be filed by the recruitment/placement agency, as provided by law, shall be answerable for all money claims or damages that may be awarded to the workers. If the recruitment/placement agency is a juridical being, the corporate officers and directors and partners as the case may be, shall themselves be jointly and solidarily liable with the corporation or partnership for the aforesaid claims and damages.

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[162] *See Gere v. Anglo-Eastern Crew Management Phils., Inc.*, 830 Phil. 695, 708 (2018) [Per J. Reyes, Jr., Second Division].

[163] 485 Phil. 248 (2004) [Per J. Ynares-Santiago, *En Banc*].

[164] *See id.* at 288.

In view of this provision, the corporate officers and directors of MMI, including respondent Capt. Briones as President thereof, are held jointly and severally liable with MMI and MMS for the total monetary award due Ernesto.

Finally, in line with *Lara's Gifts & Decors, Inc. v. Midtown Industrial Sales, Inc.*,[165] interest at the rate of six percent per annum is imposed on the total monetary award from the date of finality of this Decision until its full satisfaction.

ACCORDINGLY, the petition is **PARTIALLY GRANTED**. The Decision dated February 14, 2024 and the Resolution dated July 19, 2024 of the Court of Appeals in CA-G.R. SP No. 180275 are **REVERSED** and **SET ASIDE**.

The Decision dated May 10, 2023 and the Resolution dated June 15, 2023 of the National Labor Relations Commission in NLRC LAC No. 04-000177-23 are **REINSTATED** with **MODIFICATION**.

Respondents Multinational Maritime, Inc., MMS. Co., Ltd., Captain Banny B. Briones, and the corporate officers and directors of Multinational Maritime, Inc. are **ORDERED** to pay, jointly and severally, petitioner Ernesto D. Arriesgado the following amounts:

1. USD 60,000.00 as total and permanent disability benefits,
2. USD 2,564.00, less PHP 91,575.65 representing the amount already received by petitioner from the respondents, as differential sickness allowance, and
3. PHP 50,000.00 as nominal damages.

The amounts quoted in United States Dollars shall be paid in Philippine currency at the prevailing exchange rate at the time of payment.

The award of attorney's fees is **DELETED** for lack of basis.

The total monetary award shall earn legal interest at the rate of six percent per annum from the finality of this Decision until its full satisfaction.

The case is **REMANDED** to the National Capital Region Arbitration Branch of the National Labor Relations Commission for the proper computation and conversion to Philippine currency of the total monetary award due petitioner in accordance with the Court's disposition.

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[165] 929 Phil. 754, 822 (2022) [Per J. Leonen, *En Banc*].

SO ORDERED.

RAMON PAUL L. HERNANDO
Associate Justice
Working Chairperson

WE CONCUR:

ALEXANDER G. GESMUNDO
Chairperson
Chief Justice

RODIL V. ZALAMEDA
Associate Justice

RICARDO R. ROSARIO
Associate Justice

JOSE MIDAS P. MARQUEZ
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ALEXANDER G. GESMUNDO
Chief Justice

CERTIFIED TRUE COPY
MARIA TERESA B. SIBULO
DIVISION CLERK OF COURT
OCC-FIRST DIVISION