



Republic of the Philippines
Supreme Court
Manila

SUPREME COURT OF THE PHILIPPINES
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THIRD DIVISION

**VENTIS MARITIME
CORPORATION, and/or
ST. PAUL MARITIME
CORPORATION,**
Petitioners,

G.R. No. 239257

Present:

LEONEN, J.,*
HERNANDO,** *Acting Chairperson,*
INTING,
DELOS SANTOS, and
LOPEZ, J., *JJ.*

- versus -

Promulgated:

JOSEPH B. CAYABYAB,

June 21, 2021

Respondent.

MisDOCBatt

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DECISION

LOPEZ, J., J.:

This is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court, assailing the Decision² dated September 25, 2017 and the Resolution³ dated May 4, 2018 of the Court of Appeals (CA) in CA-G.R. SP No. 139367. The challenged Decision held petitioners solidarily liable to pay respondent Joseph B. Cayabyab (Cayabyab) Grade 6 disability benefits based on their Collective Bargaining Agreement (CBA), while the assailed Resolution, denied petitioners' Motion for Partial Reconsideration on the CA Decision.

* On wellness leave.

** Per Special Order No. 2828 dated June 21, 2021.

¹ *Rollo*, pp. 37-56.

² Penned by Associate Justice Maria Elisa Sempio Diy, with Associate Justices Celia C. Librea-Leagogo and Florito S. Macalino, concurring; *id.* at 13-28.

³ Penned by Associate Justice Maria Elisa Sempio Diy, with Associate Justices Celia C. Librea-Leagogo and Nina G. Antonio-Valenzuela, concurring; *id.* at 30-34.

On July 9, 2012, Ventis Maritime Corporation (*VMC*), a local manning agency, hired Cayabyab on behalf of its foreign principal, St. Paul Maritime Corporation (*SPMC*), to work as a wiper on board its vessel "*M/V Dover Highway*" for a period of nine (9) months with a basic monthly salary of USD422.00.⁴

Prior to his deployment, Cayabyab underwent a Pre-Employment Medical Examination (*PEME*) where he was declared fit for sea duty.⁵ In fulfilling the demands of his job, Cayabyab claimed he skipped meals to assist other crew members.⁶ After sometime, he experienced erratic sleeping patterns aggravated by poor nutrition.⁷ He began talking to himself⁸ and recited bible verses out of nowhere.⁹ One time, he thought that someone was about to kill him that he became paranoid, hysterical and violent, and had to be restrained by ten (10) crew members.¹⁰

On February 25, 2013, the master of the vessel informed *VMC* of Cayabyab's strange behavior, which they observed to have manifested after the latter tried to contact his family.¹¹ When the vessel reached the Port of Italy, Cayabyab was brought to a psychiatric clinic where he was confined for three (3) days.¹² The attending doctor diagnosed him to be suffering from "*Occupational Stress Disorder*" and recommended his immediate repatriation on the ground of "*ACUTE PSYC[H]OSIS*."¹³

Upon Cayabyab's arrival in the Philippines, *VMC* referred him to the company-designated physician, who endorsed him to a psychiatrist at the Philippine General Hospital (*PGH*).¹⁴ The psychiatrist prescribed him medication for schizophrenia¹⁵ and advised him to return on March 18, 2013.¹⁶ During his follow-up check-up on said date, the psychiatrist declared that Cayabyab had a "*Brief Psychotic Episode*."¹⁷

Fortunately, Cayabyab's psychiatric evaluation showed improvement as he was already "*symptom-free despite withdrawal of his medicines*" on April 17, 2013.¹⁸ Nonetheless, the company-designated physician regularly monitored his condition as seen from his succeeding check-ups on the following dates: April 17, 2013, May 15, 2013, May 31, 2013, June 14, 2013 and June 28, 2013.¹⁹

⁴ *Id.* at 14.

⁵ *Id.*

⁶ *Id.* at 15.

⁷ *Id.*

⁸ *Id.* at 21.

⁹ *Id.* at 15.

¹⁰ *Id.*

¹¹ *Id.* at 21.

¹² *Id.* at 15.

¹³ *Id.* at 21.

¹⁴ *Id.* at 15.

¹⁵ *Id.*

¹⁶ *Id.* at 21.

¹⁷ *Id.* at 22.

¹⁸ *Id.*

¹⁹ *Id.*

On July 12, 2013, the company-designated physician examined Cayabyab and reported his medical findings, *viz.*:

The patient complains of recurrent occipital headache with associated insomnia. He is conversant with limited verbal output. There is recurrence of auditory hallucination. Affect is slightly blunt.

Diagnosis:
Brief psychotic disorder.²⁰

On July 15, 2013, the company-designated physician issued a Grade 6 Disability Assessment.²¹ Displeased with such partial disability assessment, Cayabyab filed a Complaint for total and permanent disability benefits on July 29, 2013.²²

On September 9, 2013, or several months after the filing of the Complaint, Cayabyab sought a second opinion from his personal physician, Dr. Elias D. Adamos (*Dr. Adamos*),²³ who advised him to continue with his medication.²⁴ After several check-ups and a series of tests, Dr. Adamos declared him to be suffering from total and permanent disability.²⁵

Petitioners contended that Cayabyab was coping with a family problem, which caused his psychological breakdown.²⁶ Furthermore, they asserted that the partial disability assessment of the company-designated physician must prevail.²⁷

After the parties submitted the necessary pleadings, the complaint was deemed submitted for decision.

Ruling of the Labor Arbiter

In his Decision dated February 21, 2014, Labor Arbiter Raymund M. Celino (*LA Celino*) awarded Cayabyab total and permanent disability benefits, the dispositive portion of which is quoted hereunder:

WHEREFORE, premises considered, respondents are hereby directed to pay complainant, jointly and severally, total and permanent disability benefits in the sum of US\$60,000.00 or its equivalent in Philippine Peso at the time of payment, plus 10% attorney's fees.

²⁰ *Id.* at 22.
²¹ *Id.*
²² *Id.* at 23.
²³ *Id.* at 23-24.
²⁴ *Id.* at 15.
²⁵ *Id.*
²⁶ *Id.* at 16.
²⁷ *Id.*

All other claims are dismissed for lack of merit.

SO ORDERED.²⁸

Dismayed, petitioners appealed to the NLRC.²⁹

Ruling of the NLRC

In its Decision dated October 31, 2014, the NLRC partially granted the appeal as it held VMC liable to pay Cayabyab only partial disability benefits corresponding to Grade 6 rating under the Amended Philippine Overseas Employment Administration-Standard Employment Contract (*POEA-SEC*), the dispositive portion of which states:

WHEREFORE, the appeal is **PARTIALLY GRANTED**. The February 21, 2014 Decision of Labor Arbiter Raymund M. Celino is hereby **MODIFIED** by declaring respondent Ventis Maritime Corporation liable to pay complainant Joseph B. Cayabyab disability benefits corresponding to Grade 6 disability rating under the Amended POEA-SEC.

SO ORDERED.³⁰

Aggrieved, Cayabyab filed a Motion for Reconsideration, but it was similarly denied by the NLRC, in its Resolution³¹ dated December 22, 2014. As per the Entry of Judgment dated March 31, 2015, the said Decision became final and executory and entered in the Book of Entries of Judgments on January 18, 2015.³²

Nevertheless, Cayabyab elevated the case to the CA *via* a Petition for *Certiorari*.³³

Ruling of the CA

The CA upheld the findings of the company-designated physician which classified Cayabyab's mental disorder as a partial disability with a Grade 6 rating.³⁴ The CA gave more credence on the findings of the company-designated physician, on account of the following observations: *first*, Cayabyab failed to seasonably obtain an opinion from his personal physician before filing his complaint;³⁵ *second*, four (4) months had passed before he sought to dispute the company-designated physician's assessment and during

²⁸ *Id.* at 17. (Emphasis in the original).

²⁹ *Id.*

³⁰ *Id.* (Emphasis in the original).

³¹ *Id.*

³² *Id.* at 110.

³³ *Id.*

³⁴ *Id.* at 23.

³⁵ *Id.* at 24.

this interval, other factors could have aggravated his mental condition;³⁶ and *third*, while he sought a second opinion from his personal physician, the latter's assessment regarding the former's mental state relied on the medical reports of the psychiatrist and the company-designated physician.³⁷ The personal physician neither conducted further medical tests nor prescribed additional treatment or medication on him.³⁸

In this regard, the CA, in its Decision dated September 25, 2017, held the local agency VMC and its foreign principal SPMC, solidarily liable for the payment of Grade 6 disability benefits owing to Cayabyab, based on the parties' CBA, the dispositive portion of which states:

WHEREFORE, the instant "Petition for Certiorari (Under Rule 65 of the Rules of Court)" is **DENIED**. The assailed Decision dated October 31, 2014 and Resolution dated December 22, 2014 in NLRC NCR CN. (M) 07-10820-13/NLRC LAC No. (OFW-M) 04-000304-14 are hereby **AFFIRMED** with **MODIFICATION**. Private respondents Ventis Maritime Corporation (VMC) and St. Paul Maritime Corporation (SPMC) are hereby **ORDERED** to pay, jointly and severally, petitioner Joseph B. Cayabyab Grade 6 disability benefits in accordance with the collective bargaining agreement (CBA). The disability benefits are to be paid in Philippine pesos, computed at the exchange rate prevailing at the time of payment. Interest at the rate of 6% per annum is imposed on the judgment award, to be computed from the finality of this Decision until such amount shall have been fully paid.

The company officer, Captain Wilfred D. Garcia, is absolved from any personal liability to petitioner Joseph B. Cayabyab.

SO ORDERED.³⁹

Dissatisfied, petitioners VMC and SPMC filed a Motion for Partial Reconsideration (MR) to question the applicability of the CBA on the following grounds: a) the Standard Terms and Conditions Governing the Employment of Filipino Seafarers On-Board Ocean-Going Vessels (POEA-SEC) should apply; and b) the CBA already expired last December 31, 2009.⁴⁰ They also assailed the imposition of the six percent (6%) interest *per annum* on the judgment award.⁴¹

On March 13, 2018, Cayabyab filed a Motion (To Issue Writ of Execution/Garnishment) to enforce the judgment award pursuant to the Decision of the NLRC, which attained finality on January 18, 2015.⁴²

³⁶ *Id.*

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Id.* at 27. (Emphasis in the original)

⁴⁰ *Id.* at 32.

⁴¹ *Id.*

⁴² *Id.* at 111.

On May 4, 2018, the CA rendered its challenged Resolution which denied petitioners' MR. The CA held that based on a letter dated August 16, 2017 of the union (AMOSUP-PTGWO-ITF), the provisions in the CBA pertaining to disability benefits are still in effect; thus, the CA applied the same, following the principle that any doubt should be resolved in favor of labor.⁴³ Moreover, the imposition of the six percent (6%) interest was made pursuant to the ruling of the Court in *Nacar v. Gallery Frames, et al.*, (G.R. No. 189871, August 13, 2013).⁴⁴ Hence, the CA disposed of the motion in this manner:

WHEREFORE, premises considered, the "Motion for Partial Reconsideration" filed by Ventis Maritime Corporation (VMC), St. Paul Maritime Corporation (SPMC), and Captain Wilfred D. Garcia is **DENIED**.

SO ORDERED.⁴⁵

Undeterred, petitioners filed the present petition raising the following assignment of errors:

I.

THE [CA] ACTED ON A GROSS MISAPPREHENSION OF FACTS WHICH RESULTED IN THE MISAPPLICATION OF LAW AND EXISTING JURISPRUDENCE THEREBY REACHING LEGAL CONCLUSIONS THAT ARE NOT ONLY CONTRARY TO THE FACTS CONCLUSIVELY ESTABLISHED BY UNCONTROVERTED EVIDENCE ON RECORD, BUT ALSO MANIFESTLY MISTAKEN, ABSURD AND IMPOSSIBLE, BASED AS THEY WERE ON SPECULATIONS, SURMISES AND CONJECTURES WHEN IT MODIFIED THE DECISION AND RESOLUTION OF THE NLRC;

II.

THE [CA] DECIDED IN A WAY NOT IN ACCORD WITH LAW OR WITH APPLICABLE DECISIONS OF THE SUPREME COURT IN APPLYING THE PROVISIONS OF THE ALLEGED CBA DESPITE THE FACT THAT NO EVIDENCE WAS PRESENTED TO PROVE THAT THE PARTIES ARE COVERED THEREIN; and

III.

THE [CA] DECIDED IN A WAY NOT IN ACCORD WITH LAW OR WITH APPLICABLE DECISIONS OF THE SUPREME COURT AND IS AN AFFRONT TO PETITIONERS' RIGHT TO DUE PROCESS IN AWARDING 6% LEGAL INTEREST PER ANNUM DESPITE THE FACT THAT THE PRIVATE RESPONDENT FAILED TO ALLEGE THE SAME IN HIS PLEADINGS.⁴⁶

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ *Id.* at 34. (Emphasis in the original).

⁴⁶ *Id.* at 45.

Petitioners assert in the main that the CA erred in applying the CBA in awarding partial disability benefits to Cayabyab, based on the following grounds: a) the CBA already expired when petitioner was hired on July 9, 2012, since it was only applicable from January 1, 2008 to December 31, 2009;⁴⁷ b) assuming otherwise, the provisions of the POEA-SEC Contract should govern, because what is involved in this case is an “illness” and not an “injury due to an accident”;⁴⁸ and c) Cayabyab failed to prove that he is a member of the union covered by the CBA, which would entitle him to the benefits thereunder.⁴⁹

Moreover, the award of six percent (6%) interest *per annum* was not proper, because Cayabyab neither prayed nor claimed for the payment of interest in any of his pleadings.⁵⁰

During the pendency of the petition before this Court, LA Celino issued a Writ of Execution⁵¹ on August 20, 2018, to enforce the judgment award to Cayabyab, based on the NLRC Decision, which attained finality on January 18, 2015.⁵² By way of a Manifestation,⁵³ petitioners, thru counsel, informed the Court that on September 11, 2018,⁵⁴ they have tendered checks to the NLRC to satisfy the judgment award and necessary fees attendant in its execution.⁵⁵ Thus, they prayed for the return or restitution of the full amount should the Court find any overpayment made to Cayabyab.⁵⁶

Sometime in December 2018, Cayabyab filed his Comment⁵⁷ where he argued that the pieces of evidence submitted by petitioners to controvert the applicability of the CBA are irrelevant, on account of the following reasons: a) the AMOSUP letter dated April 21, 2010 pertains to the inquiry regarding the case of another seafarer, 2nd Mate Restituto T. Senoro, Jr., who suffered a stroke;⁵⁸ b) the opinion of the AMOSUP in the said letter was made long before Cayabyab filed his claim for disability benefits; c) the AMOSUP letter dated August 16, 2017, was a general inquiry on the coverage of the CBA, which did not directly clarify its application on the disability claim of Cayabyab.⁵⁹

Likewise, the grant of the six percent (6%) interest *per annum* on the judgment award is proper, following the pronouncement of the Court in *Nacar v. Gallery Frames*,⁶⁰ and *Bangko Sentral ng Pilipinas (BSP) Circular No. 799*,

⁴⁷ *Id.* at 46.

⁴⁸ *Id.*

⁴⁹ *Id.* at 48.

⁵⁰ *Id.* at 49.

⁵¹ *Id.* at 109-111.

⁵² *Id.* at 121.

⁵³ *Id.* at 102-106.

⁵⁴ *Id.* at 102.

⁵⁵ *Id.* at 121-125.

⁵⁶ *Id.* at 103.

⁵⁷ *Id.* at 134-149.

⁵⁸ *Id.* at 142.

⁵⁹ *Id.*

⁶⁰ 716 Phil. 267 (2013).

which took effect on July 1, 2013.⁶¹

Petitioners met the contentions aforesaid, by way of a Reply,⁶² where they reiterated the main points in their petition.

In sum, the issue is, can Cayabyab claim partial disability benefits under the CBA, or will the POEA-SEC apply to determine his entitlement thereto? Stated otherwise, the issue is whether Cayabyab is entitled to the benefits under the POEA-SEC or to those under the purported CBA.

Our Ruling

The petition is **partly** meritorious.

I. Cayabyab cannot claim partial disability benefits under the alleged CBA.

Preliminarily, the Court underscores that Cayabyab's entitlement to partial disability benefits is not disputed by petitioners, but only the amount of its grant. The NLRC based it on the schedule of disabilities provided under the Amended POEA-SEC, while the CA considered the parties' supposed CBA.

A seafarer's right to disability benefits is a matter governed by law, contract and medical findings.⁶³ The material legal provisions are Articles 191 to 193 of the Labor Code, in relation to Section 2, Rule X of the Amended Rules on Employees' Compensation.⁶⁴ The relevant contracts are the POEA-SEC and the CBA.⁶⁵

It is well to note that Cayabyab was hired in 2012, thus it is the 2010 POEA-SEC (Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-Board Ocean-Going Ships) under POEA Memorandum Circular No. 010-10, which forms an integral part of his contract of employment.⁶⁶ Section 20 of the Amended POEA-SEC pertinently states:

SECTION 20. Compensation and Benefits. —

A. Compensation and Benefits for Injury or Illness

⁶¹ *Id.* at 143-148.

⁶² *Id.* at 157-162.

⁶³ *Gomez v. Crossworld Marine Services, Inc., et al.*, 815 Phil. 401, 416 (2017), citing *C.F. Sharp Crew Management, Inc. v. Taok*, 691 Phil. 521, 533 (2012).

⁶⁴ *Id.*

⁶⁵ *Id.*, citing *Vergara v. Hammonia Maritime Services, Inc.*, 588 Phil. 895, 912 (2008).

⁶⁶ *Maryville Manila, Inc. v. Lloyd C. Espinosa*, G.R. No. 229372, August 27, 2020.

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6. In case of permanent total or partial disability of the seafarer caused by either injury or illness the seafarer shall be compensated in accordance with the schedule of benefits enumerated in Section 32 of his Contract. Computation of his benefits arising from an illness or disease shall be governed by the rates and the rules of compensation applicable at the time the illness or disease was contracted.

The disability shall be based solely on the disability gradings provided under Section³² of this Contract, and shall not be measured or determined by the number of days a seafarer is under treatment or the number of days in which sickness allowance is paid.

Section 32 of the Amended POEA-SEC provides for the schedule of disability allowances granted to a seafarer, the base amount of which is USD 50,000.00. It must be remembered that the POEA-SEC merely provides the minimum acceptable terms in a seafarer's employment contract,⁶⁷ and a seafarer may also claim superior disability benefits if his or her employment is covered by an overriding CBA, as exemplified in the cases that will be discussed hereunder.

In *Cariño v. Maine Marine Phils., Inc.*⁶⁸ (*Cariño*), the Court held that Cariño, a seafarer who broke his right ankle due to an accident while working as a deck boy on board his vessel of assignment, as totally and completely disabled and granted him permanent and total disability benefit in the amount of US\$93,154.00, following the CBA of the Associated Marine Officers' and Seamen's Union of the Philippines (AMOSUP), which he presented before the NLRC.

Similarly, the Court in *Singa Shipmanagement Phils., Inc. v. Casuco*⁶⁹ (*Singa*), awarded Casuco full compensation despite being given only a partial disability rating of Grade 11, when he injured his shoulder while carrying a cabinet on board the ship, which made him unable to raise his arms more than halfway from horizontal to perpendicular. In *Singa*, the Court considered the CBA between Row Management LTS and Norwegian Seafarers' Union for Catering/Hotel Personnel, which stipulated that “[r]egardless of the degree of disability, an injury which results in loss of profession will entitle the Seafarer to the full amount of compensation.”⁷⁰

Likewise, the Court in *Gomez v. Crossworld Marine Services, Inc.*⁷¹ (*Gomez*), considered the amount of US\$90,882.00 stipulated in the parties' CBA under *ITF Uniform TCC Collective Bargaining Agreement*, instead of the US\$50,000.00 base rate provided under the Amended POEA-SEC, in computing the Grade 8 disability benefit owing to Gomez, by reason of his back injury which he sustained when he slipped while removing the ice from

⁶⁷ *Ocean Prosperity Manning and Management Corp. v. Silva*, G.R. No. 225269, September 14, 2016. (Minute Resolution)

⁶⁸ G.R. No. 231111, October 17, 2018.

⁶⁹ G.R. Nos. 237250 & 237313, October 8, 2018.

⁷⁰ *Id.*

⁷¹ *Supra* note 63, at 424.

the lower and upper decks of the ship.

It bears stressing that the CBA is the law between the parties, hence, they are obliged to comply with its provisions.⁷² This is so because a contract of labor is so impressed with public interest that the more beneficial conditions must be endeavored in favor of the laborer.⁷³

The rise of the Filipino as the preferred seafarer worldwide places emphasis on the importance of their effort to uplift Philippine economy.⁷⁴ As such, much importance is accorded to the safety and the well-being of the country's workers who unselfishly contribute their time and devotion to the country and their families.⁷⁵ To this end, Philippine jurisprudence regarding the disability claims of Filipino seafarers has come a long way.⁷⁶ The Court has evolved with the times, as it were, to answer and face the challenges that befall the Filipino worker.⁷⁷

It is in recognition of the vital role of Filipino seafarers in boosting the country's economic growth and the inherent dangers they may encounter in the pursuit of their employments, that the rule regarding the liberal construction of labor contracts in favor of Filipino seafarers emerged. While this may be the case, the rule that "whoever claims entitlement to the benefits provided by law should establish his [or her] right to the benefits by substantial evidence,"⁷⁸ equally holds true. For this reason, jurisprudence is replete with cases where the Court did not take into account the parties' purported CBA for failure of the seafarer to establish its existence and consequently awarded disability benefits provided under the POEA-SEC.

In *Eyana v. Transmarine Carriers, Inc.*⁷⁹ (*Eyana*), the Court did not apply the CBA in computing the disability benefits since the seafarer presented no more than two (2) unauthenticated pages of the same, which the Court held to be insufficient to establish the existence of the CBA and the applicability of its provisions. In *Eyana*, the Court stressed that "a party alleging a critical fact must support his allegation with substantial evidence," and "any decision based on unsubstantiated allegation cannot stand as it will offend due process."⁸⁰

In the earlier case of *Esguerra v. United Philippine Lines, Inc.*⁸¹ (*Esguerra*), the Court found the evidence submitted by the seafarer to

⁷² *Ace Navigation Co., et al. v. Garcia*, 760 Phil. 924, 935 (2015).

⁷³ *Jolly D. Teodoro v. Teekay Shipping Philippines, Inc.*, G.R. No. 244721, February 5, 2020.

⁷⁴ *Gere v. Anglo-Eastern Crew Management Phils., Inc.*, 830 Phil. 695, 704 (2018).

⁷⁵ *Id.*

⁷⁶ *Id.*

⁷⁷ *Id.*

⁷⁸ *OSG Shipmanagement Manila, Inc., et al. v. Victoria B. De Jesus*, G.R. No. 207344, November 18, 2020.

⁷⁹ 752 Phil. 232 (2015).

⁸⁰ *Id.* at 243, citing *Oriental Shipmanagement Co., Inc. v. Nazal*, G.R. No. 177103, June 3, 2013, 697 SCRA 51, 61, citing *UST Faculty Union v. University of Sto. Tomas, et al.*, 602 Phil. 1016, 1025 (2009).

⁸¹ 713 Phil. 487 (2013).

establish the existence of the CBA insufficient. In *Esguerra*, the seafarer submitted copies of pages 9 and 10 of the purported PSU/ITF TCC Agreement and a copy of the complete text of a CBA between PSU-ALU-TUCP-ITF and Belships dated November 3, 2008. However, it is impossible to deduce therefrom whether it is indeed the correct CBA upon which the superior amount of permanent disability benefit in the amount of US\$142,560.00 claimed by the seafarer can be based. Furthermore, the inapplicability of the provision to the petitioner must be sustained in view of the fact that the duration of the submitted copy of PSU-ALU-TUCP-ITF and Belships CBA is from November 1, 2008 until October 31, 2009 or outside the petitioner's employment period which expired as early as July 2008.⁸²

In *Splash Phils., Inc. v. Ruizo*⁸³ (*Splash Phils.*), the Court similarly disregarded the CBA which the seafarer tried to establish by submitting a one-page unsigned purported copy thereof before the Labor Arbiter. Further, the said copy bore no indication who was the employer as the space reserved therefor was blank.⁸⁴ Assuming that the copy submitted was genuine, it was dated 2004, hence, it already expired when the seafarer signed his POEA contract in February 2005.⁸⁵

Meanwhile, there were also instances where the Court ignored the CBA presented because it was not shown to have covered the seafarer's employment contract.

In the recent case of *John A. Oscáres v. Magsaysay Maritime Corp., et al.*⁸⁶ (*Oscáres*), the Court did not consider the CBA submitted by the seafarer because it was unclear if such CBA covered his employment. In *Oscáres*, the Court observed that based on the seafarer's contract of employment, the "IBF-FKSU/AMOSUP KSA" covered his employment contract, yet he submitted a copy of "P.N.O. TCC Collective Agreement," which are not one and the same. Moreover, the Court observed that the CBA was not signed by the principal or the International Transport Worker's Federation.⁸⁷

In the same vein, the Court, in *North Sea Marine Services Corp., et al. v. Enriquez*⁸⁸ (*North Sea*), found that the seafarer failed to adequately prove that his employment was covered by the CBA. The document presented bore no specific details as regards the parties covered thereby, the effectivity or duration thereof, or even the signatures of contracting parties. Records are bereft of evidence showing that the seafarer's employment was covered by the supposed CBA or that the principal had entered into any collective bargaining agreement with any union in which the seafarer was a member.⁸⁹

⁸² *Id.* at 499-500.

⁸³ 730 Phil. 162 (2014).

⁸⁴ *Id.* at 180.

⁸⁵ *Id.*

⁸⁶ G.R. No. 245858, December 2, 2020.

⁸⁷ *Id.*

⁸⁸ 816 Phil. 734 (2017).

⁸⁹ *Id.* at 743.

Despite having no issues as regards the existence and coverage of the CBA, the Court dismissed the same for failure of the seafarer to comply with the conditions stipulated therein.

In the recent case of *Orlando A. Ortega v. Grieg Philippines, Inc.*⁹⁰ (*Ortega*), the Court held that while the seafarer's employment contract was undoubtedly covered by the NIS-AMOSUP Ratings 2014 CBA, the seafarer is not entitled to disability benefits because he failed to prove that his injury was sustained due to an accident on board his vessel of assignment while in the performance of his duty as a deck fitter. In *Ortega*, the Court observed that other than his bare allegations, the seafarer had not offered any proof that he met an accident on board the vessel.⁹¹ There was no accident report or any medical report issued indicating that he figured in an accident. He did not disclose the supposed accident to the doctor who initially examined him overseas. He also did not disclose any accident when he was examined in the Philippines by the company-designated physician.⁹²

In another case, the Court in *Torillos v. Eastgate Maritime Corp.*⁹³ (*Torillos*), declared that while IBF JSU/AMOSUP-IMMAJ CBA was effective at the time of the seafarer's employment with Eastgate, the grant of disability benefits under the said CBA is confined only to "*xxx accident whilst in the employment of the Company regardless of fault, including accidents occurring while travelling to or from the ship, and whose ability to work as a seafarer is reduced as a result thereof, but excluding permanent disability due to willful acts x x x.*" In *Torillos*, the Court found the seafarer failed to prove that his disability was caused by an accident, hence, there is no basis in awarding him disability benefits under the CBA.

In *Julleza v. Orient Line Philippines, Inc.*⁹⁴ (*Julleza*), the Court did not award disability benefits to the seafarer based on the CBA since the totality of the evidence on record bore that he was not involved in an accident. In *Julleza*, the Court gave more weight on the Medical Report for Seafarer signed by the ship captain, indicating that the seafarer complained of back pain above the waistline but that this arose from sickness. The report also says that the possible cause was weather or sea condition, while the tick boxes for fall, tripping, hitting, or slipping were unchecked.⁹⁵ The Court also considered the reports submitted by company-designated physician, and petitioner's own doctor, all of which are silent on the fact that he slipped and fell.⁹⁶ In fact, the reports of both doctors reveal that petitioner had been experiencing back pain since August 2010 and his back pain got worse, a few days before the end of his contract, when he was carrying heavy objects.⁹⁷

⁹⁰ G.R. No. 252777 (Minute Resolution), January 18, 2021.

⁹¹ *Id.*

⁹² *Id.*

⁹³ G.R. Nos. 215904 & 216165, January 10, 2019.

⁹⁴ G.R. No. 225190, July 29, 2019.

⁹⁵ *Id.*

⁹⁶ *Id.*

⁹⁷ *Id.*

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The ruling of the Court in *Julleza*, considered the earlier case of *Island Overseas Transport Corp., et al. v. Beja*⁹⁸ (*Island Overseas*), where the Court underscored the lack of accident report or any medical report issued indicating that the seafarer met an accident while on board. For this reason, the Court did not apply the CBA because the conclusion that the seafarer's knee injury was caused by an accident had no factual basis but was anchored merely on speculation.

Along this line, the Court in *NYK-Fil Ship Management, Inc. v. Nuñez, Jr.*⁹⁹ (*NYK-Fil*), held the CBA provisions on disability did not apply to the seafarer since records do not show that he acquired his disability as a result of an accident.

Similarly, the Court in *Balbarino v. Pacific Ocean Manning, Inc.*¹⁰⁰ (*Balbarino*), declared that the seafarer was not entitled to disability compensation under the CBA since it was clear from its provision that the disability benefit may only be awarded if the seafarer suffers a permanent disability as a result of an accident. In *Balbarino*, the disability was caused by an illness, not an accident, thus he may not claim compensation under the CBA.

Guided by the foregoing jurisprudential parameters, the Court so holds that there are **three (3) requisites** which a seafarer declared to be suffering from a disability, whether permanent or partial, must prove to establish his or her entitlement to superior disability benefits under the CBA: *first*, the **existence of the CBA**; *second*, the **seafarer's employment contract is covered by the CBA**, *i.e.*, the CBA is in effect or had not yet lapsed at the time of the seafarer's employment; and *third*, that **the seafarer complied with the conditions stipulated in the CBA**, *i.e.*, prove that the seafarer's injury arise from an accident while on board the vessel.

After scouring over the records of the case, the Court is convinced that Cayabyab cannot claim disability benefits under the CBA owing to the following reasons: 1) he failed to prove its existence; 2) he failed to establish that his employment contract is covered by the supposed CBA; and 3) he failed to adduce evidence to show that his disability arose from an accident.

Here, the only documents pertaining to the existence of the purported CBA are as follows: a) a letter dated April 21, 2010 from AMOSUP-PTGWO-ITF signed by one Capt. Gregorio S. Oca, the tenor of which merely clarified the applicability of the CBA to the case of 2nd Mate Restituto T. Senoro, Jr.¹⁰¹ and b) a letter dated August 16, 2017 from AMOSUP-PTGWO-ITF, signed by one Atty. Emmanuel E. Partido, which explained the limitation of the

⁹⁸ 774 Phil. 332 (2015).

⁹⁹ C.R. Nos. 193953 & 193954 (Minute Resolution), July 27, 2016.

¹⁰⁰ G.R. No. 201580, September 21, 2020.

¹⁰¹ *Rollo*, pp. 91-92.

application and payment of benefits under Article 28.1 of the CBA to disability arising from accidents.¹⁰²

Lamentably, the letter dated April 21, 2010 cannot be used to ascertain the existence of the CBA since it was executed prior to Cayabyab's employment in 2012. Meanwhile, the letter dated August 16, 2017, was issued way beyond Cayabyab's 9-month contract of employment have lapsed. Worse, no copy of the alleged CBA, or even the pertinent pages thereof are attached to the records of the case. Worthy of note also is the fact that the CA even failed to indicate the name of the applicable CBA or the disability benefit stipulated therein, in its assailed Decision, which bolsters the Court's opinion that no copy thereof was even presented before the appellate court.

In *Eyana*, the Court held that a CBA whose existence has not been established "deserves no evidentiary weight and cannot be made as basis for the award of disability compensation."¹⁰³

Assuming that such CBA did exist, Cayabyab failed to prove that his employment contract was covered by it. He failed to attach a copy of his POEA contract which could have established the CBA that covered his employment, if any. In *TSM Shipping Phils., Inc., et al. v. Patiño*,¹⁰⁴ the Court held that "[b]ecause of lack of proof that respondent is covered by the AMOSUP CBA, settled is the finding that his entitlement to disability benefits is governed by the POEA-SEC and relevant labor laws, which are deemed written in the contract of employment with petitioners."

Even if this Court were to assume that Cayabyab's employment is covered by the purported CBA, he failed to establish that his medical condition was brought about by an accident while in the course of performing his duty on board his vessel of assignment. It is well to note that there was no accident report or medical report issued by the master of the vessel or by any of his attending physician which indicated that he met an accident while on board. As a matter of fact, he did not even claim that he met an accident on board the vessel. What is evident is that he started acting bizarre after getting in touch with his family which could have triggered his mental breakdown. Confronted with a similar dilemma in *Ortega v. Grieg Philippines, Inc.*,¹⁰⁵ the Court declared that "the CBA cannot be the basis of [the seafarer's] claim, [hence] the POEA-SEC shall apply to determine his entitlement to disability benefits."

Absent substantial evidence as reasonable basis, this Court is left with no choice but to deny [his] claim for disability benefits, lest an injustice be caused to his employer. The award of compensation and disability benefits

102

Id. at 93

103

Eyana v. Philippine Transmarine Carriers, Inc., *supra* note 79, at 243.

104

307 Phil. 666, 676 (2017).

105

Supra note 90.

6

cannot rest on speculations, presumptions and conjectures.¹⁰⁶ While the CBA is a labor contract that must be logically and liberally construed in favor of Filipino seafarers, still the rule is that “justice is in every case for the deserving, to be dispensed with in the light of established facts, the applicable law, and existing jurisprudence.”¹⁰⁷

In sum, the CA erred in awarding disability benefits under the CBA since Cayabyab failed to prove its existence; that his employment contract was covered by the CBA and that his medical condition was caused by an accident while in the performance of his duty on board the vessel.

II. The six percent (6%) interest imposed on the judgment award is in accord with law and prevailing jurisprudence.

Indeed, the award for payment of a sum of money will inevitably place the losing party in the shoes of a judgment debtor, while the winning party those in the position of a judgment creditor. In this regard, Art. 2209 of the Civil Code states that [i]f the obligation consists in the payment of a sum of money, and the debtor incurs in delay, the indemnity for damages, there being no stipulation to the contrary, shall be the payment of the interest agreed upon, and in the absence of stipulation, the legal interest, which is six percent *per annum*.

Citing the case of *Lara's Gifts & Decors, Inc. v. Midtown*,¹⁰⁸ the Court explained that the “finality [of judgment] until its satisfaction x x x [is a] period being deemed to be by then an equivalent to a forbearance of credit or a forbearance of money.” Forbearance of money, goods or credits refers to “arrangements other than loan agreements, where a person acquiesces to the temporary use of his money, goods or credits pending happening of certain events or fulfillment of certain conditions.”¹⁰⁹

In *C.F. Sharp Crew Management Inc. v. Santos*,¹¹⁰ the Court imposed on the partial disability benefit awarded to the seafarer an interest at the legal rate of six percent (6%) *per annum* from the date of finality of the judgment until full satisfaction. Similarly, the Court in *Gomez*, imposed the legal rate of six percent (6%) interest *per annum on the monetary award for permanent partial disability benefit given to the seafarer pursuant to the case of Nacar v. Gallery Frames*.¹¹¹ Likewise, the Court in *Acomarit Phils. v. Dotimas*,¹¹² imposed on the monetary award for temporary total disability benefit awarded

¹⁰⁶ *Maryville Manila, Inc. v. Lloyd C. Espinosa*, *supra* note 66.

¹⁰⁷ *Id.*

¹⁰⁸ G.R. No. 225433, August 28, 2019.

¹⁰⁹ *Id.*

¹¹⁰ G.R. No. 213731, August 1, 2018.

¹¹¹ 716 Phil. 267, 283 (2015), as cited in *Gomez v. Crossworld Marine Services, Inc.*, *supra* note 71, at 724.

¹¹² 767 Phil. 338, 354 (2015)

to the seafarer an interest at the legal rate of six percent (6%) *per annum* from the date of finality of the judgment until its full payment.

Notably, the NLRC Decision which granted partial disability benefits to Cayabyab based on the Amended POEA-SEC attained finality on January 18, 2015.¹¹³ Meanwhile, petitioners paid the judgment award only on September 11, 2018,¹¹⁴ or after three (3) years, more or less, from the time the judgment became final and executory. The period from the finality of the award until its payment constitutes a loan or forbearance of money for which petitioners should be made to pay interest at the rate of six percent (6%) *per annum*.

To allow petitioners to renege on this obligation would effectively result in unjust enrichment at the expense of Cayabyab, since he was deprived of the fruits of his victory for three (3) years, which cannot be countenanced. Needless to say, the contention of petitioners that the Court cannot impose legal interest on the total judgment award absent any stipulation from the contracting parties is untenable, because the obligation to pay legal interest upon default is not just an obligation arising from law, but also founded on general principles of public policy.

WHEREFORE, the Petition is **PARTIALLY GRANTED**. The Decision dated September 25, 2017 and the Resolution dated May 4, 2018 of the Court of Appeals in CA-G.R. SP No. 139367 are hereby **AFFIRMED** with **MODIFICATION** in that Joseph B. Cayabyab is entitled to disability benefits corresponding to Grade 6 disability rating under the Amended POEA-SEC.

In addition, Ventis Maritime Corporation and/or St. Paul Maritime Corporation shall pay interest **from** January 18, 2015 to September 11, 2018, at the rate of six percent (6%) *per annum*. Finally, **interest at the rate of six percent (6%) *per annum* shall be imposed on the interest aforesaid counted from the finality of this Decision until full payment.**

SO ORDERED.


JOSEPH N. LOPEZ
Associate Justice

¹¹³ Rollo, p. 110.

¹¹⁴ Id. @ 102.

WE CONCUR:

On wellness leave
MARVIC M.V.F. LEONEN
Associate Justice
Chairperson

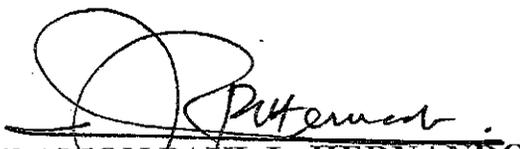

~~RAMON PAUL L. HERNANDO~~
Associate Justice


HENRI JEAN PAUL B. INTING
Associate Justice


EDGARDO L. DELOS SANTOS
Associate Justice

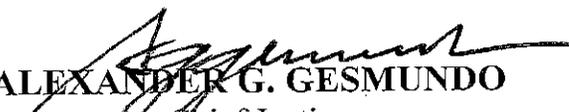
ATTESTATION

I attest 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.


RAMON PAUL L. HERNANDO
Associate Justice
Acting Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Third Division Acting Chairperson's Attestation, 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