



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

INTERORIENT MARITIME
ENTERPRISES, INC.,

Petitioner,

G.R. No. 181921

Present:

-versus-

CARPIO, *Chairperson,*
BRION,
DEL CASTILLO,
VILLARAMA, JR., * and
LEONEN, JJ.

VICTOR M. CREER III,
Respondent.

Promulgated:

SEP 17 2014 *HM Cabalag/Rejo*

X-----X

DECISION

DEL CASTILLO, J.:

“The oft repeated rule is that whoever claims entitlement to the benefits provided by law should establish his or her right thereto by substantial evidence.”¹

This Petition for Review on *Certiorari*² assails the November 29, 2007 Decision³ of the Court of Appeals (CA) in CA-G.R. SP No. 90374 which reversed and set aside the July 30, 2004 Decision⁴ of the National Labor Relations Commission (NLRC). The said NLRC Decision affirmed the November 28, 2003 Decision⁵ of the Labor Arbiter which dismissed the Complaint⁶ filed by respondent Victor M. Creer III (Victor) against petitioner InterOrient Maritime Enterprises, Inc. (InterOrient) for permanent disability benefits, medical

* Per Special Order No. 1767 dated August 27, 2014.

¹ *Cootauco v. MMS Phil. Maritime Services, Inc.*, G.R. No. 184722, March 15, 2010, 615 SCRA 529, 545.

² *Rollo*, pp. 3-24.

³ CA *rollo*, pp. 218-232; penned by Associate Justice Enrico A. Lanzas and concurred in by Associate Justices Remedios Salazar-Fernando and Rosalinda Asuncion-Vicente.

⁴ NLRC records, pp. 171-180; penned by Presiding Commissioner Roy V. Señeres and concurred in by Commissioners Ernesto S. Dinopol and Romeo L. Go.

⁵ Id. at 81-88; penned by Labor Arbiter Edgardo M. Madiaga.

⁶ Id. at 1.

reimbursement, sickness allowances, moral and exemplary damages, and attorney's fees.

Also assailed in this Petition is the February 21, 2008 CA Resolution⁷ which denied InterOrient's Motion for Reconsideration.⁸

Factual Antecedents

On April 4, 2001, InterOrient hired Victor as Galley Boy on board the vessel M/V MYRTO owned by Calidero Shipping Company, Ltd. (Calidero) for a period of nine months, which may be extended for three more months upon mutual consent of the parties. Victor was required to work 48 hours a week, with a basic monthly salary of US\$235.00 and US\$94.00 fixed overtime pay per month.

Prior to embarkation, Victor went through the requisite Pre-Employment Medical Examination (PEME) and was declared fit for sea duty. On May 12, 2001, Victor commenced his employment on board the vessel where he performed the following duties and responsibilities as Galley Boy/2nd Cook:

- * carry food stuff from reefer and dry store provisions to galley;
- * wash vegetables;
- * prepare and cook breakfast;
- * prepare and cook lunch and dinner;
- * wash used cooking utensils;
- * keep hygiene in mess room and mess room pantry;
- * general cleaning in provision chambers and dry provision store;
- * clean up mess room.⁹

As 2nd Cook, Victor was tasked to get provisions from the cold storage which is kept at its coldest temperature to maintain freshness of the food stored therein. He would do this either immediately before or after his exposure to intense heat in the galley.

Victor alleged that when he was about to get provisions from the cold storage sometime in November 2001, he felt a sudden pain in his chest that radiated to his back. Since then, he experienced incessant cough, nasal congestion, difficulty in breathing, physical weakness, chills and extreme apprehension. According to him, this condition persisted until the expiration of his contract on May 7, 2002.

⁷ CA rollo, pp. 275-276.

⁸ Id. at 236-245.

⁹ Victor's Position Paper, NLRC records, p. 14.

On May 9, 2002, Victor arrived in Manila. The following day, he reported to the office of InterOrient and informed the company about the pain he experienced while he was on board. Victor averred that InterOrient merely advised him to consult a doctor without giving him any doctor's referral. He did, however, sign a Receipt and Release¹⁰ where he acknowledged receipt of the full payment of his monetary entitlements under the employment contract, which provides in part, *viz*:

I hereby declare and confirm that I have no other claim against said vessel, her Master, Owners, Operators and Agents and I hereby discharge and release them from any other liability whatsoever[.] I further certify and confirm that I worked on board the said vessel under normal conditions and that I have not contracted or suffered any illness or injury from my work and that I was discharged in good and perfect health.¹¹

Thereafter, Victor claimed that he underwent medical examination at the Fatima Medical Clinic where he shouldered all expenses. Although he reported his condition to InterOrient, he was still not given any medical assistance. Instead, he was merely told to continue medication and consultation.

On June 18, 2002, Victor went to the Heart and Lung Diagnostic Center where his attending physician, Dr. Fernando G. Ayuyao (Dr. Ayuyao), found Victor to be suffering from Community-Acquired Pneumonia 1 and Bronchial Asthma. Medicines were prescribed and he was advised to have another chest x-ray for re-evaluation after two weeks. One month later, or on July 18, 2002, Dr. Ayuyao prescribed Victor with anti-TB medications. Victor claimed that he continued his medication for nine months. But when he consulted another doctor, a certain Dr. Purugganan from Citihealth Diagnostic Center on June 5, 2003, it was found out that he had far-advanced pulmonary tuberculosis.¹²

On August 13, 2003, Victor consulted another physician, Dr. Efren R. Vicaldo (Dr. Vicaldo), at the Philippine Heart Center. After conducting a medical examination and evaluation, Dr. Vicaldo issued a medical certificate indicating that Victor was diagnosed with Hypertension, Stage II, and Pulmonary Tuberculosis.¹³ He gave Victor an impediment grade VIII (33.59%)¹⁴ and further declared him unfit to resume work as a seaman in any capacity, and that his illness was considered work-aggravated.¹⁵

Victor contended that during the course of his treatment, he regularly informed InterOrient of his sickness. However, he was neither apprised of his

¹⁰ Id. at 52.

¹¹ Id.

¹² Id. at 36.

¹³ Id. at 37.

¹⁴ Id.

¹⁵ Id. at 38.

rights to nor paid sickness allowance amounting to US\$940.00 as mandated in the Philippine Overseas Employment Agency (POEA) 2000 Amended Standard Terms and Conditions of Employment Contract Governing Seafarers (POEA Contract). And as his requests for payment of the said allowance were consistently ignored, he filed with the Labor Arbiter on August 28, 2003 a Complaint for permanent disability benefits for pulmonary tuberculosis, medical reimbursement, sickness allowance, compensatory, moral and exemplary damages, and attorney's fees against InterOrient and Calidero.

In its Position Paper,¹⁶ InterOrient negated Victor's claim for disability benefits averring that the same has no factual, contractual or legal basis. It argued that his discharge from the vessel was not occasioned by any illness or injury sustained or contracted on board but was simply due to completion or expiration of his contract; that he voluntarily executed a Receipt and Release document wherein he acknowledged that he had not contracted any illness while on board; that he was released in good and perfect health; and that there is no clear evidence that shows his entitlement to the benefits or damages being claimed.

Ruling of the Labor Arbiter

In his Decision¹⁷ of November 28, 2003, the Labor Arbiter noted that there is nothing on record to show that Victor ever made any formal claim for sickness allowance, medical benefits and disability benefits while on board the vessel or immediately after his repatriation. Neither did he submit to, nor apply for any post-employment medical examination within three days from his repatriation – a requirement for claims for sickness and disability benefits. Instead, his Complaint to recover benefits based on the claim that he contracted sickness on board the vessel was only filed 15 months after his repatriation.

The Labor Arbiter took judicial notice of the fact that seamen enjoy the most generous and liberal medical and disability benefits of all overseas workers. Thus, he deemed it contrary to logic, reason and experience for Victor not to claim medical and sickness benefits if he really was ill while on board the vessel, or immediately after his repatriation. In conclusion, the Labor Arbiter held that InterOrient cannot be held liable for Victor's claims since he must have contracted his ailment after repatriation and not while aboard the vessel, not to mention that the contract between the parties had already expired. Hence, the dispositive portion of the said Decision reads:

WHEREFORE, premises considered, the complaint is hereby dismissed
for lack of merit.

¹⁶ Id. at 41-49.

¹⁷ Id. at 81-88.

SO ORDERED.¹⁸

Ruling of the National Labor Relations Commission

Victor appealed to the NLRC averring the following: that the Receipt and Release primarily relied upon by the Labor Arbiter in arriving at his Decision contained a mere pro-forma addendum (particularly a certificate of fitness) which had no substantial basis; that said Receipt and Release cannot overrule the certifications of the doctors/health experts as to the status of his health; that the Receipt and Release cannot effectively bar his entitlement to benefits since at the time of its execution, he honestly believed that what he had was just the common cough and colds that he has had for several months; that he did not know that letting common colds persist for prolonged periods weakens the body's defenses and increases the risk of acquiring infection, including tuberculosis; that the absence of any showing that he was claiming to be sick or claiming sickness benefits does not prevent his present claim; that his acquisition of the infection can be clearly traced to his employment with InterOrient; that the absence of signs and symptoms of tuberculosis while still under the employ of InterOrient, and even after his disembarkation, does not absolutely mean that he was free from such infection during the said period; and that the initial stages of tuberculosis are usually asymptomatic thus explaining the absence of signs and symptoms during the early stages of his infection while he was on board the vessel.

The NLRC, however, did not find merit in Victor's arguments. In a Decision¹⁹ dated July 30, 2004, it affirmed *in toto* the Decision of the Labor Arbiter and dismissed Victor's appeal.

Victor moved for reconsideration²⁰ but the same was denied in an Order²¹ dated April 20, 2005.

Ruling of the Court of Appeals

The CA, in resolving Victor's Petition for *Certiorari*²² in a Decision²³ dated November 29, 2007, granted the same and awarded him permanent disability benefits and attorney's fees.

Applying Section 32-A of the POEA Contract, the CA declared Victor's illness, pulmonary tuberculosis, included in the list of occupational diseases. It

¹⁸ Id. at 88.

¹⁹ Id. at 171-180.

²⁰ See Motion for Reconsideration, *id.* at 185-188.

²¹ Id. at 209-210.

²² Erroneously designated as a Petition for Review on *Certiorari*, *CA rollo*, pp. 2-29.

²³ Id. at 218-232.

found that Victor was overworked and over-fatigued as a result of the long hours of work required by his duties and that he was exposed to daily rapid variations in temperature. Aside from physical strain, he was also subjected to emotional stress brought about by the separation from his family. The CA concluded that with his daily exposure to these factors which could weaken his immune system, it was not impossible that he contracted tuberculosis during the course of his employment.

The CA disregarded the argument attributing the cause of ailment to Victor's lifestyle and activities after his repatriation, explaining that it was sufficient that the employment contributed even in a small degree to the development of the disease. Anent InterOrient's contention that Victor never intimated or complained about any illness or injury while on board the vessel, the said court stated that it is not required for an illness to be considered as an occupational disease before a Complaint can be filed. One needs only to prove that the ailment was contracted while working under conditions involving the risk described in the POEA Contract. The CA did not likewise give much weight to the Receipt and Release signed by Victor as it found its terms so unconscionable that Victor was shortchanged by a significant amount.

InterOrient filed a Motion for Reconsideration²⁴ which was denied by the CA in a Resolution²⁵ dated February 21, 2008.

Issues

Hence, this Petition for Review on *Certiorari* imputing upon the CA the following errors:

X X X THE HONORABLE COURT OF APPEALS GRIEVOUSLY ERRED IN AWARDING PERMANENT DISABILITY BENEFITS IN THE AMOUNT OF US\$60,000.00 AND ATTORNEY'S FEES, CONSIDERING THAT:

A.

THE COURT OF APPEALS ERRED IN SETTING ASIDE THE NLRC'S DECISION, THERE BEING NO GRAVE ABUSE OF DISCRETION ON THE PART OF THE COMMISSION. ON THE CONTRARY, THE NLRC DECISION WAS SUPPORTED BY SUBSTANTIAL EVIDENCE.

B.

THE COURT OF APPEALS DISREGARDED THE TERMS AND CONDITIONS OF THE POEA STANDARD EMPLOYMENT CONTRACT WHEN IT RULED THAT VICTOR M. CREER III'S ILLNESS WAS WORK-RELATED DESPITE THE FACT THAT THE SAME AROSE

²⁴ Id. at 236-245.

²⁵ Id. at 275-276.

ELEVEN (11) MONTHS AFTER THE EXPIRATION OF HIS EMPLOYMENT CONTRACT.

C.

THE COURT OF APPEALS ERRED IN RULING THAT VICTOR M. CREER III'S ILLNESS AROSE DURING HIS EMPLOYMENT OR THE RISK OF CONTRACTING THE SAME WAS AGGRAVATED BY HIS EMPLOYMENT DESPITE THE LACK OF REASONABLE PROOF IN THIS RESPECT.

D.

THE COURT OF APPEALS ERRED IN AWARDING ATTORNEY'S FEES.²⁶

The pivotal issue is whether InterOrient can be held accountable for Victor's disease even if the same was diagnosed 11 months after he disembarked from the vessel upon the termination of his employment contract.

The Parties' Arguments

InterOrient insists that the CA erred in ruling that Victor's sickness was work-related considering the dearth of evidence that would establish that he suffered from the symptoms of the disease while on board the vessel. It argues that if Victor was really suffering from chest and back pains, incessant coughing and low-grade fever, he would have reported the matter in the Ship's Logbook, inform his superiors, and ask for a medical check-up upon arrival. However, he did not. Instead, upon his repatriation, Victor willingly signed a Receipt and Release declaring that he was not suffering from any ailments at that time. On the other hand, there is strong probability that Victor contracted the disease after his disembarkation.

InterOrient also contends that Victor failed to satisfy *all* the conditions for compensability of an occupational disease as provided under the POEA Contract. It maintains that Victor failed to prove that he contracted TB as a result of his exposure to the described risks; that it was contracted within a period of exposure and under such other factors necessary to contract it; and that there was an absence of notorious negligence on his part. Lastly, InterOrient argues that Victor's notorious negligence was apparent as he neither declared his alleged illness nor informed the former about it; he did not inform the agency about his initial diagnoses; he did not follow the doctor's recommendation to take the medication for four months; and it took him a long time after the second diagnosis before he went back to the physician. Had Victor not been negligent, his TB could have been successfully treated.

²⁶ *Rollo*, pp. 10-11.

Victor, on the other hand, adopts the CA's ratiocinations in its assailed Decision and impresses upon this Court that his illness was contracted during the term of his employment and that the risk of contracting the same was increased or aggravated by his working conditions.

Our Ruling

The Petition is impressed with merit.

At the outset, we note that the Petition essentially assails the factual findings of the CA. As a rule, this Court is not a trier of facts and only questions of law may be raised in petitions brought under Rule 45 of the Rules of Court. However, the Court is constrained to decide factual issues in exceptional cases, one of which is when there is conflict between the findings and position of the CA, on one hand, and that of the quasi-judicial bodies, on the other,²⁷ as in this case.

For a seaman's claim for disability to prosper, it is mandatory that within three days from his repatriation, he is examined by a company-designated physician. Non-compliance with this mandatory requirement results in the forfeiture of the right to claim for compensation and disability benefits.

It is undisputed that on May 7, 2002, Victor's employment contract was completed. He arrived in Manila on May 9, 2002; the following day, or on May 10, 2002, he reported to the office of InterOrient. Although he averred that he informed InterOrient about the pain he experienced while on board the vessel, the company allegedly only advised him to consult a doctor but did not give any referral.

We are not persuaded by Victor's contention. It must be stressed that his repatriation was not due to any medical reasons but because his employment contract had already expired. Other than his self-serving allegation that he experienced pain while on board, he was not able to substantiate the same. There was no showing that he reported his injury to his officers while on board the vessel; neither did he prove that he sought medical attention but was refused. Likewise, other than his bare and self-serving assertion that he informed InterOrient about his pain, he presented no evidence or tangible proof that he indeed requested for medical attention, much more that he was rebuffed.

²⁷ *The Insular Life Assurance Company, Ltd. v. Court of Appeals*, G.R. No. 126850, April 28, 2004, 428 SCRA 79, 85-86.

On the contrary, the records show that when he reported to InterOrient immediately after his repatriation, he signed a Receipt and Release stating that he has not contracted or suffered any illness or injury from work and that he was discharged in good and perfect health. Moreover, we are baffled why, if indeed Victor needed medical services, he opted to consult several doctors other than the company-designated physician. He offered no explanation for this.

“The rationale for the rule [on mandatory post-employment medical examination within three days from repatriation by a company-designated physician] is that reporting the illness or injury within three days from repatriation fairly makes it easier for a physician to determine the cause of the illness or injury. Ascertaining the real cause of the illness or injury beyond the period may prove difficult. To ignore the rule might set a precedent with negative repercussions, like opening floodgates to a limitless number of seafarers claiming disability benefits, or causing unfairness to the employer who would have difficulty determining the cause of a claimant’s illness because of the passage of time. The employer would then have no protection against unrelated disability claims.”²⁸

In fine, we hold that Victor’s non-compliance with the three-day rule on post-employment medical examination is fatal to his cause. As a consequence, his right to claim for compensation and disability benefits is forfeited. On this score alone, his Complaint could have been dismissed outright.

Victor’s illness is not compensable.

Even if we disregard the mandatory three-day rule on post-employment medical examination by the company-designated physician, Victor’s claim for disability benefits must still fail for not being compensable.

For an illness to be compensable, Section 20(B)(6)²⁹ of the 2000 Amended Standard Terms and Conditions Governing the Employment of Filipino Seafarers on Board Ocean-Going Vessels (2000 Amended Standard Terms and Conditions), deemed incorporated in the POEA Contract, requires the concurrence of two elements: *first*, that the illness must be work-related; and *second*, that the work-

²⁸ *Wallem Maritime Services, Inc. v. Tanawan*, G.R. No. 160444, August 29, 2012, 679 SCRA 255, 268-269.

²⁹ SECTION 20. COMPENSATION AND BENEFITS

x x x x

B. COMPENSATION AND BENEFITS FOR INJURY OR ILLNESS

The liabilities of the employer when the seafarer suffers work-related injury or illness during the term of his contract are as follows:

x x x x

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 this 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.

related illness must have existed during the term of the seafarer's employment contract.³⁰

a) Victor failed to show that his illness existed during the term of his contract.

In this case, Victor submitted no proof that his illness was contracted during the term of his contract with InterOrient. As already mentioned, the reason for Victor's repatriation was the completion/expiration of his contract and not because of any sickness. Other than his uncorroborated and self-serving assertion that he experienced chest pains while on board the vessel, there was absolutely no proof at all that he consulted a doctor while on board, or that he reported the same to his superiors so that he will be provided with medical assistance. On the contrary, upon repatriation, he signed a Receipt and Release wherein he acknowledged that he worked under normal conditions on board the vessel; that he did not contract or suffer any injury; and that he was discharged in good health. Victor never alleged that he was coerced into signing the Receipt and Release or that he did not understand the same. Thus, it was crucial that Victor presented "concrete proof showing that he acquired or contracted the x x x illness that resulted to his disability during the term of his employment contract."³¹ Proof of this circumstance was particularly crucial considering the absence of any evidence that he reported his illness while on board and after his repatriation.³² However, all that Victor put forward were bare allegations that he experienced what appeared to be symptoms of pulmonary tuberculosis on board the vessel, and the dogged insistence that his working conditions are proof enough that his work contributed to his contracting the disease.

b) Victor failed to show that his illness is work-related.

"Work-related illness" is defined under the 2000 Amended Standard Terms and Condition "as any sickness resulting in disability or death due to an occupational disease listed under Section 32-A of [the said] contract[,] with the conditions set therein satisfied."³³ There is no question that Pulmonary Tuberculosis is listed as an occupational disease under Section 32-A(18). However, for the disability caused by this occupational disease to be compensable, the POEA Contract provides conditions that must be satisfied, viz:

SECTION 32-A OCCUPATIONAL DISEASES

For an occupational disease and the resulting disability or death to be compensable, all of the following conditions must be satisfied:

³⁰ *Jebsens Maritime, Inc. v. Undag*, G.R. No. 191491, December 14, 2011, 662 SCRA 670, 677.

³¹ *Wallem Maritime Services, Inc. v. Tanawan*, supra note 28 at 269.

³² *Id.*

³³ *Jebsens Maritime, Inc. v. Undag*, supra note 30 at 677.

1. The seafarer's work must involve the risks describe herein;
2. The disease was contracted as a result of the seafarer's exposure to the describe[d] risks;
3. The disease was contracted within a period of exposure and under such other factors necessary to contract it;
4. There was no notorious negligence on the part of the seafarer. x x x
(Emphasis supplied)

Victor miserably failed to comply with these conditions.

While pulmonary tuberculosis is listed as an occupational disease, the Court is not convinced that Victor's pulmonary tuberculosis is work-acquired or work-aggravated because if it were so, then at the outset, Victor should have already been diagnosed with pulmonary tuberculosis when he sought medical help one month from his repatriation. Instead, Dr. Ayuyao diagnosed him with Community Acquired Pneumonia I and Bronchial Asthma³⁴ – sicknesses which aside from being different from pulmonary tuberculosis, were not shown to have any relation thereto.

Furthermore, while it is undisputed that Victor's work as a Galley Boy/2nd Cook involved the risks provided in the POEA Contract (first condition), *i.e.*, overwork or fatigue and exposure to rapid variations in temperature, there was failure to prove that the TB was contracted as a result of his exposure to the said described risks (second condition). No evidence on record shows how Victor's working conditions caused or aggravated his TB. On the contrary, Victor himself acknowledged that he worked under normal conditions while on board the vessel.

Likewise, the third and fourth conditions were not satisfied. There was no credible evidence on record to prove that the TB was contracted within a period of exposure and under such other factors necessary to contract it. Neither is there substantial evidence presented to show that his working conditions activated the disease-causing organism that may be dormant in his system. As pointed out by both parties, pulmonary tuberculosis is airborne and easily transmissible by infected patients. The risk of being infected, or *acquiring*, the tuberculosis infection is mainly determined by exogenous factors.³⁵ The probability of contact with a case of tuberculosis, the intimacy and duration of that contact, the degree of infectiousness of the case, and the shared environment of the contact are all important determinants of transmission.³⁶ On the other hand, the risk of *developing* the disease after being infected is largely dependent on endogenous

³⁴ CA *rollo*, p. 73.

³⁵ Harrison's Principles of Internal Medicine, 16th ed., Vol. 1, McGraw-Hill Medical Publishing Division (2005), pp. 953-966, 955.

³⁶ *Id.* at 954.

factors.³⁷ The tuberculosis bacteria may lie dormant in the infected person's immune system for years before it becomes reactivated, or he may ultimately develop the disease within the first year or two after infection, depending on the innate susceptibility to disease of the person and level of immunity.³⁸ Simply put, there are so many possibilities how and when Victor could have acquired pulmonary tuberculosis. It is "[t]he oft repeated rule x x x that whoever claims entitlement to the benefits provided by law should establish his x x x right thereto by substantial evidence."³⁹ "The general principle is that one who makes an allegation has the burden of proving it. A party alleging a critical fact must support his allegation with substantial evidence. Any decision based on unsubstantiated allegation cannot stand as it will offend due process."⁴⁰

Besides, as already emphasized by this Court, "in the absence of substantial evidence, working conditions cannot be accepted to have caused or at least increased the risk of contracting the disease x x x. Substantial evidence is more than a mere scintilla. The evidence must be real and substantial, and not merely apparent; for the duty to prove work-causation or work-aggravation imposed by law is real and not merely apparent."⁴¹

The Court cannot give credence to the medical certificate issued by Dr. Vicaldo. Records failed to show that the said medical certification, which declares Victor's illness as work-aggravated, was supported by diagnostic tests and procedures. There was no explanation how the conclusions were arrived at. Neither was there any medical records or other sufficient proof presented that would support and validate the findings contained therein. At most, the said medical certificate is a mere summary and generalization of Victor's 'medical history and condition based on a one-time consultation. While it is true that "[p]robability and not ultimate degree of certainty is the test of proof in compensation proceedings[, i]t cannot be gainsaid, however, that award of compensation and disability benefits cannot rest on speculations, presumptions and conjectures."⁴²

On the other hand, while the letter⁴³ of Dr. Ayuyao two months after Victor returned to the Philippines would suggest that the latter had developed pulmonary tuberculosis by then, the said letter still does not establish that the disease was work-related or work-aggravated. There is nothing on record that would establish the development of the illness as traceable to Victor's employment. The Court cannot take at face value Victor's bare allegations that he

³⁷ Id. at 955.

³⁸ Id.

³⁹ *Cootauco v. MMS Phil. Maritime Services, Inc.*, supra note 1.

⁴⁰ Id. at 544.

⁴¹ *Panganiban v. Tara Trading Shipmanagement, Inc.*, G.R. No. 187032, October 18, 2010, 633 SCRA 353, 365-366.

⁴² *Andrada v. Agemar Manning Agency, Inc.*, G.R. No. 194758, October 24, 2012, 684 SCRA 587, 601.

⁴³ CA rollo, p. 74.

suffered incessant cough, nasal congestion, difficulty of breathing, and that he experienced physical weakness and chills while on board. Plainly, the claim is unsubstantiated.

The Court cannot over-emphasize that “self-serving and unsubstantiated declarations are insufficient to establish a case x x x where the quantum of evidence required to establish as fact is substantial evidence.”⁴⁴

In fine, Victor’s claim for disability benefits must be denied for failure to comply with the mandatory three-day rule on post-employment medical examination without any valid or justifiable reason, and for being non-compensable there being no showing that the illness existed during the term of his employment contract or that it is work-related.

As this Court has reiterated in a number of cases, it is “[w]ell aware of the principle that, consistent with the purposes underlying the formulation of the POEA [Contract], its provisions must be applied fairly, reasonably and liberally in favor of the seafarers, for it is only then that its beneficent provisions can be fully carried into effect. This exhortation cannot, however, be taken to sanction the award of disability benefits and sickness allowance based on flimsy evidence and/or even in the face of an unjustified non-compliance with the mandatory reporting requirement under the POEA [Contract].”⁴⁵ “Liberal construction is not a license to disregard the evidence[, or lack thereof] on record; or to misapply [the] laws.”⁴⁶ While we sympathize with Victor’s plight, the Court is constrained to deny his claims for disability benefits absent substantial evidence on record to justify such grant.

WHEREFORE, premises considered, the Petition is **GRANTED** and the assailed November 29, 2007 Decision of the Court of Appeals in CA-G.R. SP No. 90374 is, accordingly, **REVERSED and SET ASIDE**. In lieu thereof, another is entered **REINSTATING** the Decision dated July 30, 2004 of the National Labor Relations Commission which, in turn, affirmed the Decision dated November 28, 2003 of the Labor Arbiter.

SO ORDERED.


MARIANO C. DEL CASTILLO
Associate Justice


⁴⁴ *Coastal Safeway Marine Services, Inc. v. Esguerra*, G.R. No. 185352, August 10, 2011, 655 SCRA 300, 309.

⁴⁵ *Id.* at 312.

⁴⁶ *Escarcha v. Leonis Navigation Company, Inc.*, G.R. No. 182740, July 5, 2010, 623 SCRA 423, 443.

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson


ARTURO D. BRION
Associate Justice


MARTIN S. VILLARAMA, JR.
Associate Justice

See separate concurring opinion


MARVIC M.V.F. LEONEN
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.


ANTONIO T. CARPIO
Associate Justice
Chairperson



CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division 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.

**MARIA LOURDES P. A. SERENO***Chief Justice*