Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

ONE SHIPPING CORP., and/or ONE SHIPPING KABUSHIKI KAISHA/JAPAN, Petitioner,	**G.R. No. 192406**
	Present:
	VELASCO, JR., *J., Chairperson*, PERALTA, VILLARAMA, JR., REYES, and JARDELEZA, *JJ.*
- *versus*-	
	Promulgated:
IMELDA C. PEÑAFIEL, Respondent.	January 21, 2015

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DECISION

PERALTA, *J.*:

This is to resolve the Petition for Review on *Certiorari* under Rule 45 of the Revised Rules of Court, dated July 2, 2010, of petitioner One Shipping Corp., seeking the reversal of the Court of Appeals' Decision dated October 27, 2009 and Resolution dated May 27, 2010.[1]

The antecedent facts follow.

Petitioner One Shipping Corp., for and in behalf of its principal One Shipping Kabushiki Kaisha/Japan, hired the late Ildefonso S. Peñafiel as Second Engineer on board the vessel MV/ACX Magnolia with a monthly basic salary of US$1,120.00 and for a duration of twelve (12) months. Peñafiel boarded the vessel on August 29, 2004 and died on July 2, 2005. His wife then filed for monetary claims arising from his death.

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[1] Penned by Associate Justice Vicente S.E. Veloso, with Associate Justices Andres B. Reyes, Jr. and Marlene Gonzales-Sison, concurring.

Respondent alleged that while her husband Ildefonso was performing his task on board the vessel, the latter felt a throbbing pain in his chest and shortening of breath, as if he was about to fall. Thinking that the same was due to his heavy workload, Ildefonso took a rest. However, after recovering, Ildefonso allegedly informed his superior about the pain but the latter ignored him. On May 21, 2005, Ildefonso disembarked from the vessel and returned to the Philippines on the same day. Respondent claims that upon arrival, Ildefonso reported to the petitioner manning agency to ask for medical attention for his condition, but instead of being sent for post medical examination, Ildefonso was allegedly informed by the petitioners that he was already scheduled for his next deployment. Thus, Ildefonso was required to undergo the pre-employment medical examination at the PMP Diagnostic Center, Inc. on July 2, 2005. However, after allegedly completing the medical and laboratory examinations, Ildefonso collapsed and was immediately brought to the Philippine General Hospital where he died at 2:05 p.m. of the same day due to myocardial infarction. As a result, respondent asserts that she called up petitioner manning agency and told them about the incident hoping that she would be given the necessary benefits.

Petitioners, on the other hand, admitted that they contracted the services of the late Ildefonso on August 23, 2004, to work on board MV/ ACX Magnolia for a period of twelve (12) months. However, they denied any liability for the claims of the respondent and maintained that at the time Ildefonso died on July 2, 2005, the latter was no longer an employee of the petitioners as he voluntarily terminated his employment contract with the petitioners when, on April 9, 2005, Ildefonso requested for a leave and pre-terminated his contract. Thus, he disembarked from the vessel on May 21, 2005. They also alleged that in the early part of June 2005, Ildefonso reported at petitioner's office applying for a new employment and requested that he be lined up for another vessel. Accordingly, he was advised to undergo the usual pre-employment medical examination before considering his request. Petitioners were then surprised when they learned about Ildefonso's passing.

The Labor Arbiter,[2] on September 20, 2006, dismissed the complaint for lack of merit.[3] Thus, respondent filed her appeal with the National Labor Relations Commission (*NLRC*)[4] in which the latter affirmed the decision of the Labor Arbiter on January 24, 2008.[5] Undaunted, respondent filed a petition for *certiorari* under Rule 65 of the Revised Rules of Court with the CA. The CA granted her petition, thus:

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2 Penned by Labor Arbiter Elias H. Salinas.

3 *Rollo*, pp. 110-114.

4 Second Division, Penned by Commissioner Victoriano R. Calaycay, with Commissioners Raul T. Aquino and Angelita A. Gacutan, concurring.

5 *Rollo*, pp. 147-153.

> WHEREFORE, the petition is GRANTED. The Resolutions dated January 24, 2008 and March 31, 2008 of the National Labor Relations Commission are REVERSED and SET ASIDE. Private respondents One Shipping Corporation and One Shipping Kabushiki Kaisha/Japan are hereby ordered to jointly and severally pay the following death benefits to petitioner Imelda C. Peñafiel: US$50,000.00 for herself and US$21,000.00 for her three (3) minor children. The private respondents are likewise directed to solidarily pay petitioner US$1,000.00 as burial expenses. No costs.
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> SO ORDERED.

The motion for reconsideration having been denied, petitioners come to this Court raising the following issues:

ASSIGNMENT OF ERRORS

I

WITH ALL DUE RESPECT, THE HONORABLE COURT OF APPEALS COMMITTED A SERIOUS ERROR IN LAW AND JURISPRUDENCE WHEN IT REVERSED AND SET ASIDE THE TWIN RESOLUTIONS OF THE NLRC DATED JANUARY 24, 2008 AND MARCH 31, 2008 DESPITE THE FACT THAT SAID RESOLUTIONS HAVE ATTAINED FINALITY.

II

THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN GRANTING RESPONDENT'S PETITION FOR CERTIORARI WITHOUT SHOWING THAT THE HONORABLE NLRC ACTED WITH GRAVE ABUSE OF DISCRETION, AMOUNTING TO LACK OF OR IN EXCESS OF JURISDICTION, WHEN IT RENDERED THE ASSAILED RESOLUTIONS OF JANUARY 24, 2008 AND MARCH 31, 2008.

III

THE HONORABLE COURT OF APPEALS ACTED ERRONEOUSLY WHEN IT FOUND THE PETITIONERS LIABLE FOR DEATH BENEFITS, NOTWITHSTANDING THE FACT THAT AT THE TIME RESPONDENT'S SPOUSE DIED, NO EMPLOYER-EMPLOYEE RELATIONSHIP EXISTED BETWEEN THE DECEASED AND HEREIN PETITIONERS.

IV

THE HONORABLE APPELLATE COURT GRAVELY ERRED IN CONCLUDING THAT THE DEATH OF RESPONDENT'S SPOUSE WAS WORK RELATED DESPITE THE ABSENCE OF EVIDENCE TO PROVE THIS FINDINGS.

V

THE HONORABLE COURT OF APPEALS SERIOUSLY ERRED IN SETTING ASIDE THE TWIN RESOLUTIONS DATED JANUARY 24, 2008 AND MAY 31, 2008, BASED SOLELY ON THE ARGUMENTS AND UNSUBSTANTIATED ALLEGATIONS OF THE RESPONDENT INSTEAD OF THE EVIDENCE ON RECORD.

The present petition basically questions the appreciation of facts on the part of the CA. As a rule, only questions of law, not questions of fact, may be raised in a petition for review on *certiorari* under Rule 45.[6] The Court is thus generally bound by the CA's factual findings. There are, however, exceptions to the foregoing, among which is when the CA's factual findings are contrary to those of the trial court or administrative body exercising quasi-judicial functions from which the action originated.[7] The present petition falls under the exception due to the different factual findings of the Labor Arbiter, the NLRC and the CA.

The first two issues raised by petitioners are technical in nature. They argue that the CA has no jurisdiction over the present case because the Resolutions of the Labor Arbiter and the NLRC have become final and executory. They claim that both resolutions have become final and executory as early as June 16, 2008, before respondent filed her petition for *certiorari* with the CA on June 25, 2008. Petitioner's argument is meritorious.

In *Aliviado v. Procter and Gamble Phils., Inc.*[8] this Court has extensively discussed the finality of a judgment, thus:

> It is a hornbook rule that once a judgment has become final and executory, it may no longer be modified in any respect, even if the modification is meant to correct an erroneous conclusion of fact or law, and regardless of whether the modification is attempted to be made by the court rendering it or by the highest court of the land, as what remains to be done is the purely ministerial enforcement or execution of the judgment.
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> The doctrine of finality of judgment is grounded on fundamental considerations of public policy and sound practice that at the risk of occasional errors, the judgment of adjudicating bodies must become final and executory on some definite date fixed by law. [...], the Supreme Court reiterated that the doctrine of immutability of final judgment is adhered to by necessity notwithstanding occasional errors that may result thereby, since litigations must somehow come to an end for otherwise, it would

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6 *Antiquina v. Magsaysay Maritime Corporation,* G.R. No. 168922, April 13, 2011, 648 SCRA 659, 669.

7 *AMA Computer College-East Rizal v. Ignacio,* G.R. No. 178520, June 23, 2009, 590 SCRA 633, 651.

8 G.R. No. 160506, June 6, 2011, 650 SCRA 400.

'even be more intolerable than the wrong and injustice it is designed to correct.'[9]

In *Mocorro, Jr. v. Ramirez*,[10] we held that:

A definitive final judgment, however erroneous, is no longer subject to change or revision.

A decision that has acquired finality becomes immutable and unalterable. This quality of immutability precludes the modification of a final judgment, even if the modification is meant to correct erroneous conclusions of fact and law. And this postulate holds true whether the modification is made by the court that rendered it or by the highest court in the land. The orderly administration of justice requires that, at the risk of occasional errors, the judgments/resolutions of a court must reach a point of finality set by the law. The noble purpose is to write finis to dispute once and for all. This is a fundamental principle in our justice system, without which there would be no end to litigations. Utmost respect and adherence to this principle must always be maintained by those who exercise the power of adjudication. Any act, which violates such principle, must immediately be struck down. Indeed, the principle of conclusiveness of prior adjudications is not confined in its operation to the judgments of what are ordinarily known as courts, but extends to all bodies upon which judicial powers had been conferred.

The only exceptions to the rule on the immutability of final judgments are (1) the correction of clerical errors, (2) the so-called nunc pro tunc entries which cause no prejudice to any party, and (3) void judgments. Nunc pro tunc judgments have been defined and characterized by the Court in the following manner:

The object of a judgment nunc pro tunc is not the rendering of a new judgment and the ascertainment and determination of new rights, but is one placing in proper form on the record, the judgment that had been previously rendered, to make it speak the truth, so as to make it show what the judicial action really was, not to correct judicial errors, such as to render a judgment which the court ought to have rendered, in place of the one it did erroneously render, nor to supply nonaction by the court, however erroneous the judgment may have been. (Wilmerding vs. Corbin Banking Co., 28 South., 640, 641; 126 Ala., 268.)

A nunc pro tunc entry in practice is an entry made now of something which was actually previously done, to have effect as of the former date. Its office is not to supply omitted action by the court, but to supply an omission in the record of action really had, but omitted through inadvertence or mistake. (Perkins vs. Haywood, 31 N. E., 670, 672)

Section A of Rule VII of the NLRC Rules of Procedure provides that "except as provided in Section 9 of Rule X, the decisions, resolutions or orders of the Commission shall become final and executory after ten (10)

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[9] *Vios v. Pantangco, Jr.*, G.R. No. 163103, February 6, 2009, 578 SCRA 129, 143-144. (Citation omitted)

[10] G.R. No. 178366, July 28, 2008, 560 SCRA 362, 372-373.

calendar days from receipt thereof by the parties. Section B of the same Rules provides that "upon the expiration of the ten (10) calendar days period provided in paragraph (a) of this Section, the decision, resolution, or order shall be entered in a book of entries of judgment."

Therefore, absent any TRO, the NLRC had the ministerial duty to issue an entry of judgment. What this Court finds confusing in this case is that, the entry of judgment declaring that its Resolution dated March 31, 2008 has become final and executory on June 16, 2008 is belatedly dated June 10, 2009. Based on the records, the Resolution dated January 24, 2008 of the NLRC, dismissing respondent's appeal was received by respondent on February 8, 2008. She then filed a Motion for Reconsideration on February 15, 2008. Said Motion for Reconsideration was denied by the NLRC in a Resolution dated March 31, 2008 and received by the respondent on April 29, 2008. According to the NLRC, its Resolution of March 31, 2008 became final and executory on June 16, 2008 per Entry of Judgment dated June 10, 2009. On June 25, 2008, respondent filed her petition for *certiorari* under Rule 65 with the CA. Clearly, applying the above-provisions of the NLRC Rules of Procedure, the case should have become final and executory on May 10, 2008 and not on June 16, 2008, as later on certified by the NLRC. In that regard, the NLRC committed a mistake.

In its Resolution dated May 27, 2010, the CA explained that it resolved the issues raised by the respondent even though the decision of the NLRC had lapsed as contemplated in Section 223 of the Labor Code, on the ground that she filed on time a petition for *certiorari* under Rule 65 and the allegations contained therein are jurisdictional and with due process considerations, citing this Court's decision on *St. Martin Funeral Home v. NLRC*.[11]

In *St. Martin*,[12] this Court explained the proper mode of appeal from the decision of the NLRC in view of the amended Section 9 of Batas Pambansa Bilang 129, a law which provides for the jurisdictions of courts. Thus,

> The Court is, therefore, of the considered opinion that ever since appeals from the NLRC to the Supreme Court were eliminated, the legislative intendment was that the special civil action of certiorari was and still is the proper vehicle for judicial review of decisions of the NLRC. **The use of the word "appeal" in relation thereto and in the instances we have noted could have been *lapsus plumae* because appeals by certiorari and the original action for certiorari are both modes of judicial review addressed to the appellate courts**. The important distinction between them, however, and with which the Court is

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11 G.R. No. 130866, September 16, 1998, 295 SCRA 494.

12 *Id.*

> particularly concerned here is that the special civil action of certiorari is within the concurrent original jurisdiction of this Court and the Court of Appeals; whereas to indulge in the assumption that appeals by certiorari to the Supreme Court are allowed would not subserve, but would subvert, the intention of Congress as expressed in the sponsorship speech on Senate Bill No. 1495.
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> x x x x
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> Therefore, **all references in the amended Section 9 of BP 129 to supposed appeals from the NLRC to the Supreme Court are interpreted and hereby declared to mean and refer to petitions for certiorari under Rule 65**. Consequently, all such petitions should therefore be initially filed in the Court of Appeals in strict observance of the doctrine of hiearchy of courts as the appropriate forum for the relief desired.[13]

Basically, this Court, in the abovecited case ruled as to the proper court within which to file a remedy from the decisions of the NLRC. Based on the records, since the petition of herein respondent was filed before the expiration of the period within which to file a petition for *certiorari* under Rule 65, the CA, therefore, committed no error in not dismissing and eventually deciding the case. Necessarily, if the mode of appeal is that of a petition for review on *certiorari* under Rule 65, its reglementary period must be the one followed.

Petitioner is, however, correct in its argument that the filing of the petition for *certiorari* does not interrupt the course of the principal case. Section 7 of Rule 65 provides:

> Sec. 7. Expediting proceedings; Injunctive relief. - The court in which the petition is filed may issue orders expediting the proceedings, and it may also grant a temporary restraining order or a writ of preliminary injunction for the preservation of the rights of the parties pending such proceedings. The petition shall not interrupt the course of the principal case unless a temporary restraining order or a writ of preliminary injunction has been issued enjoining the public respondent from further proceeding with the case.
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> The public respondent shall proceed with the principal case within ten (10) days from the filing of a petition for certiorari with a higher court or tribunal absent a temporary restraining order or a preliminary injunction, or upon its expiration. x x x

Nevertheless, after careful review of the records, this Court considers the findings of fact of the Labor Arbiter, as affirmed by the NLRC, more plausible.

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[13] Emphasis ours.

It is indisputable that Ildefonso was previously employed by the petitioners as Second Engineer on board the vessel MV/ACX Magnolia to work for a duration of twelve (12) months pursuant to the terms and conditions of the Contract of Employment entered into by the parties on August 23, 2004, which was duly approved by the Philippine Overseas Employment Administration (POEA).

Based on the records, however, Ildefonso pre-terminated his contract of employment with the petitioners when on April 9, 2005, he requested for a vacation leave effective May 2005. The said request was granted by the petitioners. Hence, Ildefonso was duly paid of all that was due him as a result of his employment and, subsequently, Ildefonso was repatriated to the Philippines on May 21, 2005.

From the above findings and circumstance, it is clear that at the time of Ildefonso's repatriation, the employer-employee relationship between Ildefonso and the petitioners had already been terminated. Thus, the Labor Arbiter was correct in concluding that the terms and conditions contained in the contract of employment ceased to have force and effect, including the payment of death compensation benefits to the heirs of a seafarer who dies during the term of his contract as provided for in Section 20 (A) of the POEA Standard Employment Contract, which states:

> A. COMPENSATION AND BENEFITS FOR DEATH
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> 1. In case of work-related death of a seafarer during the term of his contract, the employer shall pay his beneficiaries the Philippine Currency equivalent of the amount of Fifty Thousand US Dollars (US$50,000) and an additional amount of Seven Thousand US Dollars (US$7,000) to each child under the age of twenty one (21), but not exceeding four (4) children, at the exchange rate prevailing during the time of payment.

In *Southeastern Shipping v. Navarra, Jr.,*[14] this Court declared that in order to avail of death benefits, the death of the employee should occur during the effectivity of the employment contract. The death of a seaman during the term of employment makes the employer liable to his heirs for death compensation benefits. Once it is established that the seaman died during the effectivity of his employment contract, the employer is liable.[15] In the present case, Ildefonso died after he pre-terminated the contract of employment. That alone would have sufficed for his heirs not to be entitled for death compensation benefits.

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[14] G.R. No. 167678, June 22, 2010, 621 SCRA 361.

[15] *Prudential Shipping and Management Corporation v. Sta. Rita*, G.R. No. 166580, February 8, 2007, 515 SCRA 157, 168.

Furthermore, there is no evidence to show that Ildefonso's illness was acquired during the term of his employment with petitioners.

The CA, in reversing the rulings of the Labor Arbiter and the NLRC, stated that the fact that One Shipping hired Ildefonso despite a waiver and prior knowledge of his heart ailment behooves petitioners to accept liability for said death in the course of his employment is misguided. Granting that petitioners were made aware of Ildefonso's prior heart ailment, the fact still remains that he died after the effectivity of his contract. There is even no reason given why Ildefonso asked for a pre-termination of his contract which resulted in his repatriation. To surmise that he asked for the pre-termination of his contract due to a medical condition is highly speculative and must not be considered as a fact. As found by the Labor Arbiter:

> In other words, there are no indications that Ildefonso was already suffering from an ailment at the time he pre-terminated his employment contract with petitioners. No proof was presented to substantiate complainant's claim that her husband suffered chest pain and difficulty in breathing. There was no report of any illness suffered by complainant's husband while on board the MV "ACX Magnolia". Also, upon his arrival in the Philippines on May 21, 2005, or at any time within three working days from the date of his return, there is no showing that the deceased required any medical treatment nor did he report to petitioners any ailment being suffered by him. Instead, he immediately signed up for another tour of duty, thereby indicating that he was physically fit to take on another assignment. Thus, the death of Ildefonso Peñafiel was not compensable under the aforequoted provisions of the POEA Contract of Employment.

Therefore, this Court finds no substantial evidence to prove that Ildefonso's illness which caused his death was aggravated during the term of his contract. [T]he death of a seaman several months after his repatriation for illness does not necessarily mean that: (a) the seaman died of the same illness; (b) his working conditions increased the risk of contracting the illness which caused his death; and (c) the death is compensable, unless there is some reasonable basis to support otherwise.[16]

While the Court adheres to the principle of liberality in favor of the seafarer in construing the Standard Employment Contract, it cannot allow claims for compensation based on surmises. When the evidence presented negates compensability, we have no choice but to deny the claim, lest we cause injustice to the employer.[17]

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[16] *Hermogenes v. Osco Shipping Services, Inc.*, G.R. No. 141505, August 18, 2005, 467 SCRA 301, 309.

[17] *Southeastern Shipping, et al. v. Federico U. Navarra, Jr., supra* note 13.

The law, in protecting the rights of the employees, authorizes neither oppression nor self-destruction of the employer - there may be cases where the circumstances warrant favoring labor over the interests of management but never should the scale be so tilted as to result in an injustice to the employer.[18]

WHEREFORE, the Petition for Review on *Certiorari* under Rule 45 of the Revised Rules of Court, dated July 2, 2010 of petitioner One Shipping Corp., is hereby **GRANTED**. Consequently, the Court of Appeals' Decision dated October 27, 2009 and Resolution dated May 27, 2010 are hereby **REVERSED** and **SET ASIDE,** and the Decision dated September 20, 2006 of the Labor Arbiter, which was affirmed by the NLRC on January 24, 2008, is hereby **REINSTATED**.

SO ORDERED.

DIOSDADO M. PERALTA
Associate Justice

WE CONCUR:

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

MARTIN S. VILLARAMA, JR.
Associate Justice

BIENVENIDO L. REYES
Associate Justice

FRANCIS H. JARDELEZA
Associate Justice

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[18] *Ledesma, Jr. v. National Labor Relations Commission*, G.R. No. 174585, October 19, 2007, 537 SCRA 358, 371.

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.

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

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