



Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

**JAKERSON G. GARGALLO,**  
Petitioner,

**G.R. No. 215551**

Present:

- versus -

**DOHLE SEAFRONT CREWING  
(MANILA), INC., DOHLE  
MANNING AGENCIES, INC.,  
and MR. MAYRONILO B.  
PADIZ,**

Respondents.

SERENO, C.J., Chairperson,  
LEONARDO-DE CASTRO,  
BERSAMIN,  
PEREZ, and  
PERLAS-BERNABE, JJ.

Promulgated:

**SEP 16 2015**

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**DECISION**

**PERLAS-BERNABE, J.:**

Assailed in this petition for review on *certiorari*<sup>1</sup> are the Decision<sup>2</sup> dated June 10, 2014 and the Resolution<sup>3</sup> dated November 21, 2014 of the Court of Appeals (CA) in CA-G.R. SP No. 130266, which reversed and set aside the Resolutions dated March 25, 2013<sup>4</sup> and May 15, 2013<sup>5</sup> of the National Labor Relations Commission (NLRC) in NLRC LAC No. 01-000062-13/NLRC NCR No. 07-11019-12, and dismissed petitioner Jakerson G. Gargallo's (petitioner) claim for permanent total disability benefits.

<sup>1</sup> *Rollo*, pp. 39-63.

<sup>2</sup> *Id.* at 14-34. Penned by Associate Justice Marlene Gonzales-Sison with Associate Justices Rosmari D. Carandang and Edwin D. Sorongon concurring.

<sup>3</sup> *Id.* at 36-37.

<sup>4</sup> *CA rollo*, pp. 41-56. Penned by Commissioner Teresita D. Castillon-Lora with Presiding Commissioner Raul T. Aquino and Commissioner Erlinda T. Agus concurring.

<sup>5</sup> *Id.* at 73-74.

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## The Facts

Petitioner was hired by respondent Dohle Seafront Crewing (Manila), Inc. (Dohle Seafront), in behalf of Dohle Manning Agencies, Inc. (Dohle Manning), as a wiper on board the vessel “MV WIDAR” with a basic monthly salary of \$516.00. Prior to his deployment, petitioner underwent a pre-employment medical examination, and was declared fit to work. He then boarded the vessel on September 14, 2011.<sup>6</sup>

On February 28, 2012, while petitioner was lifting heavy loads of lube oil drum, the vessel rolled slightly, which triggered the drum to swing uncontrollably, and, in consequence, caused petitioner to lose his balance and fall on deck, with his left arm hitting the floor first, bearing his full body weight.<sup>7</sup> On March 8, 2012, petitioner was referred to a portside medical facility in Sauda, Norway where he was diagnosed and treated for “L72 BREAK IN [the] LOWER LEFT ARM,” and later found to have a “RADIUS SHAFT FRACTURE OF THE LEFT [FOREARM],” which will require urgent corrective surgery. He was then referred to Haugesund Hospital for further examination, and likewise recommended for repatriation.<sup>8</sup>

Following his repatriation on March 11, 2012, petitioner was seen by the company-designated physician, Doctor Nicomedes G. Cruz, M.D. (Dr. Cruz), and was immediately confined at the Manila Doctors Hospital. As his x-ray showed that he had “comminuted displaced fracture of proximal third of the left radius,”<sup>9</sup> petitioner was referred to the company-designated orthopedic surgeon, Dr. Cirilo Tacata, M.D., who performed an Open Reduction and Internal Fixation surgery on him.<sup>10</sup> He was discharged on March 19, 2012,<sup>11</sup> but was on continued treatment as an out-patient<sup>12</sup> from March 22<sup>13</sup> to September 21, 2012.<sup>14</sup>

On September 21, 2012, petitioner returned to Dr. Cruz for his regular checkup. After medical evaluation, the latter issued a Medical Report<sup>15</sup> of even date declaring petitioner “fit to work.”<sup>16</sup> Dissatisfied, petitioner consulted an independent doctor, Dr. Cesar H. Garcia (Dr. Garcia), who

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<sup>6</sup> *Rollo*, p. 15.

<sup>7</sup> See Accident/Incident Report Summary, *CA rollo*, p. 144. See also *id.* at 65-66.

<sup>8</sup> See Medical Examination Report; *id.* at 254-255.

<sup>9</sup> See medical observation dated March 11, 2012; *id.* at 145.

<sup>10</sup> See medical observation dated March 13, 2012; *id.* at 146. See also Record of Operation dated March 13, 2012; *id.* at 258.

<sup>11</sup> See Medical Abstract/ Discharge Summary dated March 19, 2012; *id.* at 260.

<sup>12</sup> See various Medical Reports; *id.* at 148-164.

<sup>13</sup> *Rollo*, p. 16.

<sup>14</sup> Petitioner’s treatment was in progress from March 22, 2012 to September 7, 2012 (see various Medical Reports; *CA rollo*, pp. 148-163), until he was declared fit to work on September 21, 2012 (see Medical Report dated September 21, 2012; *CA rollo*, p. 164).

<sup>15</sup> *CA rollo*, p. 164.

<sup>16</sup> See *rollo*, pp. 16-17.

issued an Orthopedic Surgeon's Report<sup>17</sup> dated October 2, 2012, opining, instead, that he was unfit to work as a seaman as of that time.

Meanwhile, or on July 20, 2012, while still undergoing treatment with the company-designated physician, Dr. Cruz, and without having consulted the independent doctor, Dr. Garcia, petitioner filed a complaint<sup>18</sup> against respondents Dohle Manning, Dohle Seafront, and the latter's president, Mayronilo B. Padiz (Padiz; collectively, respondents), seeking to recover permanent total disability benefits pursuant to the *unsigned* International Transport Workers' Federation Standard Collective Agreement<sup>19</sup> (ITF CBA) dated January 1, 2012, as well as compensatory, moral and exemplary damages, and attorney's fees before the NLRC, National Capital Region (NCR), docketed as NLRC-NCR-OFW-Case No. (M) 07-11019-12.

In his Position Paper<sup>20</sup> dated October 5, 2012, petitioner claimed, *inter alia*, that he is entitled to permanent total disability benefits, considering that: (a) he has remained permanently unfit to perform further sea service despite major surgery and further treatment; (b) his permanent total unfitness to work was duly certified by his chosen physician, Dr. Garcia, whose certification prevails over the palpably self-serving and biased assessment of the company-designated physicians; and (c) his medical condition falls under the Permanent Medical Unfitness Clause<sup>21</sup> of the ITF CBA that entitles him to 100% compensation.<sup>22</sup>

For their part, respondents countered<sup>23</sup> that the fit to work findings of the company-designated physicians must prevail over that of petitioner's independent doctor, considering that: (a) they were the ones who continuously treated and monitored petitioner's medical condition;<sup>24</sup> and (b) petitioner failed to comply with the agreed procedure under the Philippine Overseas Employment Administration-Standard Employment Contract (POEA-SEC) on the joint appointment by the parties of a third doctor whose findings shall be considered as final with respect to the degree of his disability.<sup>25</sup> Respondents further averred that petitioner has no cause of action against them, and the filing of the disability claim was premature, since he was still undergoing medical treatment within the allowable 240-day period at the time of the filing of the complaint.<sup>26</sup>

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<sup>17</sup> Id. at 261-263.

<sup>18</sup> Id. at 118-120.

<sup>19</sup> Id. at 192-251.

<sup>20</sup> Filed on October 17, 2012. Id. at 170-188.

<sup>21</sup> Id. at 208-209.

<sup>22</sup> See id. at 178-185.

<sup>23</sup> See Position Paper for respondents filed on October 17, 2012; id. at 89-113.

<sup>24</sup> Id. at 100.

<sup>25</sup> Id. at 106.

<sup>26</sup> Id. at 108.

### **The Labor Arbiter's Ruling**

In a Decision<sup>27</sup> dated November 27, 2012, the Labor Arbiter (LA) ordered respondents, jointly and severally, to pay petitioner US\$156,816.00 or its peso equivalent as permanent total disability benefits, plus ten percent (10%) thereof as attorney's fees.

The LA gave more credence to the medical report of petitioner's independent doctor, Dr. Garcia, which was based on his personal perception of petitioner's actual medical condition, as opposed to the medical report of the company-designated physician, Dr. Cruz, who was not the physiatrist or the orthopedic surgeon who actually treated and monitored petitioner's injury.<sup>28</sup> The LA further held that since petitioner has suffered an injury on his left forearm and has undergone operation, said forearm is not as stable and strong as it was before the injury, and no business minded manning agency would accept him should he re-apply as seafarer.<sup>29</sup>

Aggrieved, respondents appealed<sup>30</sup> to the NLRC.<sup>31</sup>

### **The NLRC Ruling**

In a Resolution<sup>32</sup> dated March 25, 2013, the NLRC affirmed the LA ruling, but reduced the award of disability benefits to US\$125,000.00.

The NLRC doubted the credibility of the September 21, 2012 fit to work assessment of Dr. Cruz, considering the lack of finding as to whether the pain persistently felt by petitioner had subsided, gone, or persisted. On the other hand, the NLRC gave more credence to the October 2, 2012 Report of petitioner's independent doctor, noting that it described petitioner's range of motion to be with "[s]lightly limited pronation and supination muscle strength = 70% of maximum strength,"<sup>33</sup> which could have been brought about by physical impossibility or by the subsisting pain felt by petitioner.<sup>34</sup>

While acknowledging that the inability to raise arm more than halfway from horizontal to perpendicular only has a disability grade of 11 or a 14.93% disability rating under Section 32, Shoulder and Arm, Item No. 12 of the 2000 POEA-SEC, the NLRC adjudged petitioner to 100%

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<sup>27</sup> Id. at 57-72. Penned by LA Lilia S. Savari.

<sup>28</sup> Id. at 68-69.

<sup>29</sup> Id. at 70.

<sup>30</sup> See Notice of Appeal with Memorandum of Appeal dated December 12, 2012; id. at 300-336.

<sup>31</sup> The NLRC case was re-docketed as NLRC LAC No. 01-000062-13.

<sup>32</sup> *CA rollo*, pp. 41-56.

<sup>33</sup> Id. at 319.

<sup>34</sup> Id. at 49, 51-52.

compensation at US\$125,000.00,<sup>35</sup> pursuant to the provisions of the 2008-2011 ver.di IMEC IBF CBA<sup>36</sup> (IBF CBA) presented by respondents, which entitles any seafarer assessed at less than 50% disability to 100% compensation when certified as permanently unfit for further sea duties. It noted that the IBF CBA bore the signatures of the parties thereto, as opposed to the ITF CBA presented by petitioner that was not shown to have been duly adopted.<sup>37</sup>

Respondents moved for reconsideration<sup>38</sup> which was denied in a Resolution<sup>39</sup> dated May 15, 2013. Undeterred, they filed a petition for *certiorari*<sup>40</sup> before the CA.

While the *certiorari* petition was pending before the CA, the NLRC issued an entry of judgment<sup>41</sup> on July 1, 2013 and a writ of execution<sup>42</sup> on August 28, 2013 in the case, constraining respondents to settle the full judgment award.<sup>43</sup>

### The CA Ruling

In a Decision<sup>44</sup> dated June 10, 2014, the CA granted respondents' *certiorari* petition and thereby dismissed petitioner's complaint for disability benefits.

The CA ruled that petitioner's claim for permanent total disability benefits was premature, considering that at the time of the filing of the complaint: (a) petitioner was still under medical treatment by the company-designated physicians; (b) no medical assessment has yet been issued by the company-designated physicians as to his fitness or disability since the allowable 240-day treatment period during which he is considered under temporary total disability has not yet lapsed; and (c) petitioner has not yet consulted his own doctor, hence, had no sufficient basis to prove his incapacity.<sup>45</sup>

Moreover, the CA gave more credence to the fit to work assessment of the company-designated physician, Dr. Cruz, who treated and closely monitored petitioner's condition, over the contrary declaration of petitioner's

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<sup>35</sup> Id. at 52-54.

<sup>36</sup> Id. at 122-143.

<sup>37</sup> Id. at 53-54.

<sup>38</sup> See motion for reconsideration dated April 12, 2013; id. at 75-85.

<sup>39</sup> Id. at 73-74.

<sup>40</sup> Filed on June 7, 2013. Id. at 3-40.

<sup>41</sup> Id. at 380.

<sup>42</sup> Id. at 399-402.

<sup>43</sup> See Conditional Satisfaction of Judgment by Virtue of a Writ of Execution issued by NLRC-NCR Cashier Esleen D. Fontnilla on October 1, 2013; id. at 459-460.

<sup>44</sup> *Rollo*, pp. 14-34.

<sup>45</sup> See id. at 27-28.

independent doctor, Dr. Garcia, who attended to him only *once*, and in fact, merely limited himself to a review of petitioner's medical history and a reiteration of the diagnoses of the company-designated physicians, without conducting any medical or confirmatory tests or procedures to refute their findings.<sup>46</sup> It further noted that petitioner only sought Dr. Garcia's medical opinion two (2) months after the filing of the complaint,<sup>47</sup> and that the latter did not unequivocally state that petitioner was totally and permanently unfit to work, but only declared him unfit to work at that time, without giving any disability grading.<sup>48</sup>

The CA likewise deleted the award of attorney's fees, holding the same to be unwarranted in the absence of showing of bad faith and malice on the part of respondents.<sup>49</sup>

Undaunted, petitioner sought reconsideration,<sup>50</sup> which was, however, denied in a Resolution<sup>51</sup> dated November 21, 2014; hence, this petition.

### The Issue Before the Court

The core issue in this case is whether or not the CA correctly ruled that the NLRC committed grave abuse of discretion in granting petitioner's claim for permanent total disability benefits.

### The Court's Ruling

The petition lacks merit.

The entitlement of overseas seafarers to disability benefits is a matter governed, not only by medical findings, but also by law and contract.<sup>52</sup> The pertinent statutory provisions are Articles 197 to 199<sup>53</sup> (formerly

<sup>46</sup> Id. at 30-32.

<sup>47</sup> Id. at 28.

<sup>48</sup> Id. at 31.

<sup>49</sup> Id. at 33.

<sup>50</sup> See motion for reconsideration dated July 7, 2014; CA *rollo*, pp. 547-556.

<sup>51</sup> *Rollo*, pp. 36-37.

<sup>52</sup> *Jebsen Maritime, Inc. v. Ravena*, G.R. No. 200566, September 17, 2014, 735 SCRA 494, 507.

<sup>53</sup> Art. 197. Temporary Total Disability. — (a) Under such regulations as the Commission may approve, any employee under this Title who sustains an injury or contracts sickness resulting in **temporary total disability** shall for each day of such a disability or fraction thereof be paid by the System an income benefit equivalent to ninety percent of his average daily salary credit, subject to the following conditions: **the daily income benefit shall not be** less than Ten Pesos nor more than Ninety Pesos, nor **paid for a continuous period longer than one hundred twenty days**, except as otherwise provided for in the Rules, and the System shall be notified of the injury or sickness. x x x.

x x x x.

Art. 198. Permanent Total Disability. — (a) Under such regulations as the Commission may approve, any employee under this Title who contracts sickness or sustains an injury resulting in **permanent total disability** shall, for each month until his death, be paid by the System during such a

Articles 191 to 193) of the Labor Code in relation to Section 2 (a),<sup>54</sup> Rule X of the Rules implementing Title II, Book IV of the said Code.<sup>55</sup> On the other hand, the relevant contracts are: (a) the POEA-SEC, which is a standard set of provisions that is deemed incorporated in every seafarer’s contract of employment; (b) the CBA, if any; and (c) the employment agreement between the seafarer and his employer.<sup>56</sup> In this case, petitioner executed his employment contract with respondents during the effectivity of the 2010 POEA-SEC; hence, its provisions are applicable and should govern their relations, and not the 2000 POEA-SEC as held by the CA.<sup>57</sup>

Section 20 (A) of the 2010 POEA-SEC, which enumerates the duties of an employer to his employee who suffers a work-related injury or illness during the term of his employment, pertinently provides:

SECTION 20. COMPENSATION AND BENEFITS  
A. 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:

disability, an amount equivalent to the monthly income benefit, plus ten percent thereof for each dependent child, but not exceeding five, beginning with the youngest and without substitution: Provided, That the monthly income benefit shall be the new amount of the monthly benefit for all covered pensioners, effective upon approval of this Decree.

x x x x

(c) The following disabilities shall be **deemed total and permanent**:  
(1) **Temporary total disability lasting continuously for more than one hundred twenty days, except as otherwise provided for in the Rules;**

x x x x

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

x x x x (Emphases and underscoring supplied)

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Rule X

TEMPORARY TOTAL DISABILITY

x x x x

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

x x x x (Emphasis supplied)

<sup>55</sup> Otherwise known as the “Amended Rules on Employees’ Compensation” (June 1, 1987).  
<sup>56</sup> See *Jebesen Maritime Inc. v. Ravena*, supra note 52, at 507-508.  
<sup>57</sup> See *rollo*, p. 24.

x x x x

2. x x x [I]f after repatriation, the seafarer still requires medical attention arising from said injury or illness, he shall be so provided at cost to the employer until such time he is declared fit or the degree of his disability has been established by the company-designated physician.
3. In addition to the above obligation of the employer to provide medical attention, the seafarer shall also receive sickness allowance from his employer in an amount equivalent to his basic wage computed from the time he signed off until he is declared fit to work or the degree of disability has been assessed by the company-designated physician. The period within which the seafarer shall be entitled to his sickness allowance shall not exceed 120 days. x x x.

x x x x

For this purpose, the seafarer shall submit himself to a post-employment medical examination by a company-designated physician within three working days upon his return except when he is physically incapacitated to do so, in which case, a written notice to the agency within the same period is deemed as compliance. In the course of the treatment, the seafarer shall also report regularly to the company-designated physician specifically on the dates as prescribed by the company-designated physician and agreed to by the seafarer. Failure of the seafarer to comply with the mandatory reporting requirement shall result in his forfeiture of the right to claim the above benefits.

**If a doctor appointed by the seafarer disagrees with the assessment, a third doctor may be agreed jointly between the Employer and the seafarer. The third doctor's decision shall be final and binding on both parties.**  
(Emphasis supplied)

In the recent case of *Ace Navigation Company v. Garcia*,<sup>58</sup> citing *Vergara v. Hammonia Maritime Services, Inc.*<sup>59</sup> (*Vergara*), the Court reiterated that the company-designated physician is given an additional 120 days, or a total of 240 days from repatriation, to provide the seafarer further treatment and, thereafter, make a declaration as to the nature of the latter's disability. Thus, it is only upon the lapse of 240 days, or when so declared by the company-designated physician, that a seafarer may be deemed totally and permanently disabled, *viz.*:

As these provisions operate, the seafarer, upon sign-off from his vessel, must report to the company-designated physician within three (3) days from arrival for diagnosis and treatment. For the duration of the treatment but in no case to exceed 120 days, the seaman is on *temporary*

<sup>58</sup> See G.R. No. 207804, June 17, 2015.

<sup>59</sup> 588 Phil. 895, 912-913 (2008).



*total disability* as he is totally unable to work. He receives his basic wage during this period until he is declared fit to work or his temporary disability is acknowledged by the company to be permanent, either partially or totally, as his condition is defined under the [POEA-SEC] and by applicable Philippine laws. **If the 120 days initial period is exceeded and no such declaration is made because the seafarer requires further medical attention, then the temporary total disability period may be extended up to a maximum of 240 days, subject to the right of the employer to declare within this period that a permanent partial or total disability already exists. The seaman may of course also be declared fit to work at any time such declaration is justified by his medical condition.**

X X X X

As we outlined above, **a temporary total disability only becomes permanent when so declared by the company physician within the periods he is allowed to do so, or upon the expiration of the maximum 240-day medical treatment period without a declaration of either fitness to work or the existence of a permanent disability.** In the present case, while the initial 120-day treatment or temporary total disability period was exceeded, the company-designated doctor duly made a declaration well within the extended 240-day period that the petitioner was fit to work.<sup>60</sup>

It is undisputed that petitioner was repatriated on March 11, 2012 and immediately subjected to medical treatment. Despite the lapse of the initial 120-day period on July 9, 2012, such treatment continued due to persistent pain complained of by petitioner,<sup>61</sup> which was observed until his 180<sup>th</sup> day of treatment on September 7, 2012.<sup>62</sup> In this relation, the CA correctly ruled that the filing of the complaint for permanent total disability benefits on July 20, 2012 was premature, and should have been dismissed for lack of cause of action, considering that at that time: (a) petitioner was still under the medical treatment of the company-designated physicians within the allowable 240-day period; (b) the latter had not yet issued any assessment as to his fitness or disability; and (c) petitioner had not yet secured any assessment from his chosen physician, whom he consulted only more than two (2) months thereafter, or on October 2, 2012.

Moreover, petitioner failed to comply with the prescribed procedure under the afore-quoted Section 20 (A) (3) of the 2010 POEA-SEC on the joint appointment by the parties of a third doctor, in case the seafarer's personal doctor disagrees with the company-designated physician's fit to work assessment. The IBF CBA similarly outlined the procedure, *viz.*:

25.2 The disability suffered by the seafarer shall be determined by a doctor appointed by the Company. If a doctor appointed by or on behalf of the seafarer disagrees with the assessment, a third doctor

<sup>60</sup> See *Ace Navigation Company v. Garcia*, supra note 58, emphases and underscoring in the original.

<sup>61</sup> On pronation and supination of the left arm despite good to fair grip. See 17<sup>th</sup> Medical Report dated June 29, 2012; CA *rollo*, p. 159.

<sup>62</sup> On elevation of the left upper extremity. See Medical Report dated September 7, 2012; *id.* at 163.

may be nominated jointly between the Company and the Union and the decision of this doctor shall be final and binding on both parties.

x x x x

- 25.4. A seafarer whose disability, in accordance with 25.2 above is assessed at 50% or more shall, for the purpose of this paragraph, be regarded as permanently unfit for further sea service in any capacity and be entitled to 100% compensation. Furthermore, any seafarer assessed at less than 50% disability but certified as permanently unfit for further sea service in any capacity by the Company-nominated doctor, shall also be entitled to 100% compensation. Any disagreement as to the assessment or entitlement shall be resolved in accordance with clause 25.2 above.<sup>63</sup>

In the recent case of *Veritas Maritime Corporation v. Gepanaga, Jr.*,<sup>64</sup> involving an almost identical provision of the CBA, the Court reiterated the well-settled rule that the seafarer's non-compliance with the mandated conflict-resolution procedure under the POEA-SEC and the CBA militates against his claims, and results in the affirmance of the fit to work certification of the company-designated physician, thus:

The [POEA-SEC] and the CBA clearly provide that when a seafarer sustains a work-related illness or injury while on board the vessel, his fitness or unfitness for work shall be determined by the company-designated physician. If the physician appointed by the seafarer disagrees with the company-designated physician's assessment, the opinion of a third doctor may be agreed jointly between the employer and the seafarer to be the decision final and binding on them.

Thus, while petitioner had the right to seek a second and even a third opinion, the final determination of whose decision must prevail must be done in accordance with an agreed procedure. Unfortunately, the petitioner did not avail of this procedure; hence, we have no option but to declare that the company-designated doctor's certification is the final determination that must prevail. x x x.<sup>65</sup>

In any event, the findings of the company-designated physicians should prevail, considering that they examined, diagnosed, and treated petitioner from his repatriation on March 11, 2012 until he was assessed fit to work after 194 days of treatment on September 21, 2012; whereas the independent physician, Dr. Garcia, examined petitioner only once on October 2, 2012, more than two (2) months after he filed his claim for permanent and total disability benefits before the NLRC on July 20, 2012. Case law holds that, under these circumstances, the assessment of the company-designated physician should be given more credence for having been arrived at after months of medical attendance and diagnosis, compared

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<sup>63</sup> Id. at 130-131.

<sup>64</sup> See G.R. No. 206285, February 4, 2015.

<sup>65</sup> See id., citing *Vergara v. Hammonia Maritime Services, Inc.*, supra note 59, at 914.

to the assessment of a private physician done only in one (1) day on the basis of an examination or existing medical records.<sup>66</sup>

Verily, petitioner's failure to observe the conflict-resolution procedure under the POEA-SEC and the CBA provided a sufficient ground for the denial of his claim for permanent total disability benefits. Considering, however, the undisputed fact that petitioner still needed medical treatment beyond the initial 120-day treatment period, which lasted for 194 days from his repatriation as found by the CA,<sup>67</sup> he is entitled to the income benefit for temporary total disability<sup>68</sup> provided under Section 2 (a), Rule X of the Rules implementing Title II, Book IV of the Labor Code, during the extended period of treatment or for 194 days, computed from petitioner's repatriation on March 11, 2012 until September 21, 2012 when he last visited the company-designated physician.

However, the Court finds no basis to hold respondent Dohle Seafront President Padiz, solidarily liable with respondents Dohle Manning and Dohle Seafront for the payment of the monetary awards granted to petitioner, absent any showing that he had acted beyond the scope of his authority or with malice. Settled is the rule that in the absence of malice and bad faith, or a specific provision of law making a corporate officer liable, such officer cannot be made personally liable for corporate liabilities.<sup>69</sup>

Finally, anent petitioner's claim for attorney's fees,<sup>70</sup> while respondents have not been shown to have acted in gross and evident bad faith in refusing to satisfy petitioner's demands, it is settled that where an employee is forced to litigate and incur expenses to protect his right and interest, he is entitled to an award of attorney's fees equivalent to ten percent (10%) of the total award at the time of actual payment.<sup>71</sup>

**WHEREFORE**, the petition is **DENIED**. The Decision dated June 10, 2014 and the Resolution dated November 21, 2014 of the Court of Appeals in CA-G.R. SP No. 130266, dismissing petitioner Jakerson G. Gargallo's claim for permanent total disability benefits are hereby **AFFIRMED**. However, respondents Dohle Seafront Crewing (Manila), Inc. and Dohle Manning Agencies, Inc. are **ORDERED**, jointly and severally, to pay petitioner income benefit for one hundred ninety-four (194) days, plus ten percent (10%) of the total amount of the income benefit as attorney's fees.

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<sup>66</sup> See *Ace Navigation Company v. Garcia*, supra note 58.

<sup>67</sup> *Rollo*, p. 22.


<sup>68</sup> See *New Filipino Maritime Agencies, Inc. v. Despabeladeras*, G.R. No. 209201, November 19, 2014; *Magsaysay Maritime Corporation v. National Labor Relations Commission*, G.R. No. 191903, June 19, 2013, 699 SCRA 197, 215.

<sup>69</sup> See *Eyana v. Philippine Transmarine Carriers, Inc.*, G.R. No. 193468, January 28, 2015.


<sup>70</sup> *Rollo*, p. 62.


<sup>71</sup> *Fil-Pride Shipping Company, Inc. v. Balasta*, G.R. No. 193047, March 3, 2014, 717 SCRA 624, 643.

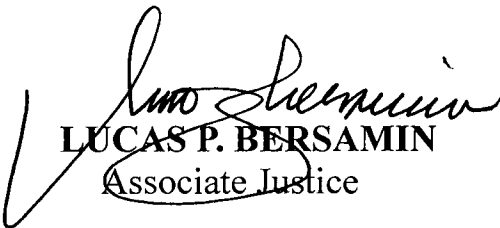
**SO ORDERED.**

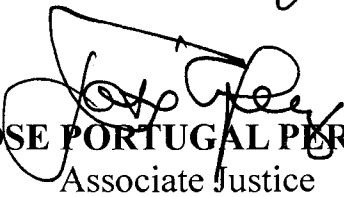
  
**ESTELA M. PERLAS-BERNABE**  
Associate Justice

**WE CONCUR:**

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

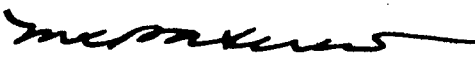
  
**TERESITA J. LEONARDO-DE CASTRO**  
Associate Justice

  
**LUCAS P. BERSAMIN**  
Associate Justice

  
**JOSE PORTUGAL PEREZ**  
Associate Justice

**CERTIFICATION**

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

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