Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

CHARLONNE KEITH LACSON, Petitioner,	**G.R. No. 270817**
	Present:
- versus -	GESMUNDO, *C.J.*, *Chairperson*, HERNANDO, ZALAMEDA, ROSARIO, and MARQUEZ, *JJ.*
RCCL CREW MANAGEMENT INC., ROYAL CARIBBEAN CRUISES LTD., and GERARDO ANTONIO BORROMEO, Respondents.	**Promulgated:** JAN 27 2025

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DECISION

HERNANDO, *J.*:

This Petition for Review on *Certiorari*[1] seeks to annul the April 14, 2023 Decision[2] and the October 10, 2023 Resolution[3] of the Court of Appeals (CA) in CA-G.R. SP No. 171761, which affirmed the February 26, 2021 Decision[4] of the National Labor Relations Commission (NLRC), Fourth Division in NLRC LAC (OFW- M) 01-000027-20 dismissing petitioner's complaint for permanent and total disability benefits.

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[1] *Rollo*, pp. 33–35.

[2] *Id.* at 40–52. The April 14, 2023 Decision in CA-G.R. SP No. 171761 was penned by Associate Justice Victoria Isabel A. Paredes and concurred in by Associate Justices Florencio M. Mamauag, Jr. and Mary Charlene V. Hernandez-Azura of the Thirteenth Division, Court of Appeals, Manila.

[3] *Id.* at 54–56. The October 10, 2023 Resolution in CA-G.R. SP No. 171761 was penned by Associate Justice Victoria Isabel A. Paredes and concurred in by Associate Justices Florencio M. Mamauag, Jr. and Mary Charlene V. Hernandez-Azura of the Former Thirteenth Division, Court of Appeals, Manila.

[4] *Id.* at 108–131. The February 26, 2021 Decision in NLRC LAC (OFW- M) 01-000027-20 was issued by Commissioner Leonard Vinz O. Ignacio and concurred in by Presiding Commissioner Grace M. Venus and Commissioner Mary Ann F. Plata Daytia of the Fourth Division, NLRC, Quezon City.

The Factual Antecedents

On January 30, 2018, Charlonne Keith Lacson (petitioner) entered a Contract of Employment[5] with RCCL Management Crew Inc. (RCCL) on behalf of its principal, Royal Caribbean Cruises Ltd., for a period of six months. After securing a fit to work certification, he boarded the vessel Azamara Quest and commenced his work as AZ Commis 2.[6]

Petitioner's duties on board included food preparation and kitchen sanitation which exposed him to cleaning materials, sanitizers, bleaches, acids, degreasers and detergents. After a few months, petitioner experienced skin itching. The ship doctor gave him steroidal cream but the itching persisted and progressed into painful skin rashes and blisters on his hands and other parts of his body.[7] Thereafter, he was referred to a shore physician/dermatologist in Italy where he was diagnosed[8] with allergic dermatitis.[9]

On August 20, 2018, petitioner was medically repatriated to the Philippines for further treatment. On August 24, 2018, he was diagnosed with Contact Dermatitis with Secondary Bacterial Infection by the company-designated physician, Shiphealth, Inc. (Shiphealth). Petitioner underwent post-employment medical evaluations and treatments until January 17, 2019. RCCL then asked him to report and line up for redeployment despite his skin rashes being visible. RCCL's personnel just told petitioner to continue with his medications.[10]

Due to petitioner's persistent rashes, he was constrained to consult a dermatologist at Seamen's Hospital. In the Medical Certificate[11] dated February 6, 2019, he was diagnosed with Hand Dermatitis R/O Allergic Contact Dermatitis and was declared "UNFIT for duty at the time of the examination."[12] On February 20, 2019, petitioner also had a consultation in Casa Medica Inc. where Dr. Miguel Maralit (Dr. Maralit) diagnosed him with Dyshidrotic Eczema and Nummular Eczema. He was declared unfit to work in the kitchen and was advised to transfer to another department.[13]

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5 *Id.* at 180.
6 *Id.* at 220–221.
7 *Id.* at 187–188.
8 *Id.* at 180–181.
9 *Id.* at 41.
10 *Id.* at 42.
11 *Id.* at 190.
12 *Id.*
13 *Id.* at 191.

On March 18, 2019, petitioner filed a complaint[14] for permanent and total disability benefits.

For their part, respondents countered that in petitioner's Medical Certificate for Service at Sea,[15] he admitted to having allergies or anaphylaxis attributed to environmental factors, chemicals, foods, or medications. Shortly after boarding the vessel in April 2018, he already complained of pruritic skin lesions in both hands.[16]

During his medical consultation with Shiphealth on August 24, 2018, petitioner complained of persistent pruritic skin lesions on his hands, arms, lower extremities, and neck. He was diagnosed with Contact Dermatitis with Secondary Bacterial Infection and prescribed medication to manage his condition.[17] Thereafter, he continued his weekly consultations with Shiphealth as shown by various medical reports.[18]

During a medical re-evaluation on October 17, 2018, petitioner stated that there was a reduction in the pruritic skin lesions on his hands, arms, neck, lower extremities, and abdomen.[19] He continued to receive further medications while his condition was closely monitored and treated.[20] By December 10, 2018, petitioner's condition had significantly improved, with only minimal pruritic lesions remaining on his right leg and minimal appearance on his left leg.[21] Intralesional steroid injections were also administered on petitioner on December 13, 2018, January 3, 2019, and January 10, 2019.[22]

On January 17, 2019 or 151 days from repatriation, Shiphealth issued a Final Report[23] indicating the resolution of pruritic lesions with petitioner having no other subjective complaints. The final diagnosis was "Nummular Eczema, resolved." On January 24, 2019, petitioner was declared fit for duty as no further medical intervention was needed.[24]

Ruling of the Labor Arbiter

In a Decision[25] dated October 17, 2019, the Labor Arbiter dismissed petitioner's complaint for petitioner's failure to comply with the third-doctor rule. The Labor Arbiter also found no merit in petitioner's claim that there was

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[14] *Id.* at 139.
[15] *Id.* at 221–222.
[16] *Id.* at 193.
[17] *Id.* at 223.
[18] *Id.* at 224–228.
[19] *Id.* at 230.
[20] *Id.* at 230–235.
[21] *Id.* at 236.
[22] *Id.* at 237–239.
[23] *Id.* at 240.
[24] *Id.* at 241.
[25] *Id.* at 295–303. The October 17, 2019 Decision in NLRC NCR (M) 01-00769-19 was issued by Labor Arbiter Paz Eugenia D. Neri-Dysangco.

no final and definite assessment. Thus, in the absence of a third doctor opinion, the findings of Shiphealth were final and binding.

> WHEREFORE, PREMISES CONSIDERED, the instant complaint is hereby DISMISSED for want of merit.
>
> SO ORDERED.[26]

Aggrieved, petitioner appealed to the NLRC.[27]

Ruling of the National Labor Relations Commission

In its Decision[28] dated February 26, 2021, the NLRC affirmed the findings of the LA. The dispositive portion of the NLRC Decision reads:

> **WHEREFORE**, premises considered, the Appeal dated 25 November 2019 is DENIED. The assailed Decision dated 17 October 2019 is AFFIRMED *EN* [sic] *TOTO*.
>
> **SO ORDERED**.[29] (Emphasis in the original)

Dissatisfied, petitioner elevated the matter to the CA.[30]

Ruling of the Court of Appeals

The CA dismissed the petition[31] holding that the petitioner's claim for permanent and total disability has no factual or legal basis. The medical reports issued by Shiphealth justified the extension of petitioner's initial 120-day treatment period and Shiphealth's medical assessment dated January 17, 2019 was valid, final, and definite. Shiphealth is more qualified to assess petitioner's medical condition as compared to the doctors consulted by petitioner, whose assessments were based on a single examination and existing medical records.[32]

The CA disagreed with petitioner's claim that his condition amounted to a permanent total disability since he remained disabled for over 240 days from his repatriation. The records are lacking facts during the period when petitioner was declared fit for duty and the time he claimed permanent disability benefits. There is no evidence that petitioner re-applied for work as a seafarer and was

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[26] *Id.* at 303.
[27] *Id.* at 304–338.
[28] *Id.* at 45.
[29] *Id.*
[30] CA *rollo*, pp. 3–49.
[31] *Rollo*, pp. 40–52.
[32] *Id.* at 47–49.

found unfit due to his illness. In fine, there is no proof that petitioner is still suffering from the skin disease.[33]

The dispositive portion of the CA Decision reads:

> **WHEREFORE**, premises considered, the Petition for *Certiorari* is **DISMISSED**.[34] (Emphasis in the original)

Petitioner sought the reconsideration of the CA but the same was denied.[35]

Hence, the present petition.

Petitioner argues that courts are not bound by the company-designated physician's findings, and such findings may be set aside if not supported by medical records. The Final Report dated January 17, 2019 should have been disregarded since the name of the doctor who signed it was not disclosed, nor was the doctor's specialty or expertise revealed. Moreover, the report referred to "Dermatology service" as the one who supposedly cleared petitioner for the condition referred, and not the signatory of the report. Petitioner adds that his condition calls for a specialist such as a dermatologist, who is qualified to assess his illness. It is not even clear if the signatory in the Final Report is a medical doctor or a dermatologist for that matter.[36]

Petitioner also claims that he only saw Shiphealth's Final Report for the first time in respondents' position paper, which was issued beyond the 240-day period. The statement in the January 17, 2019 Final Report, "cleared... for the condition referred.." is indefinite because it is not an equivalent description of his fitness to work as required by law. Consequently, his disability became permanent and total by operation of law.[37]

In their Comment,[38] respondents argue that the present petition raises a question of fact which is outside the purview of this Court's jurisdiction.[39] Moreover, petitioner's omission of certain facts necessitates a re-evaluation of the accurate factual background of the case. Respondents point out that petitioner underwent a pre-employment medical examination prior to

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33 *Id.* at 50.
34 *Id.* at 51.
35 *Id.* at 54–56.
36 *Id.* at 13–16.
37 *Id.* at 16–34.
38 *Temporary rollo,* unpaginated.
39 *Temporary rollo,* Comment/Opposition, pp. 1–2.

embarkation on November 17, 2017. In the Medical Certificate For Sea Service,[40] petitioner answered "Yes" to the question, "Do you have or did you ever have any of the following conditions: x x x 49. Allergies/anaphylaxis to environment, chemicals, food, or drugs".[41] Within petitioner's first month onboard the vessel or sometime in April 2018, he complained of pruritic skin lesions on both hands during his check up in the infirmary. Thus, respondents claim that petitioner falsely alleged that he already had been working for months prior to the manifestation of his skin disease and that it was a result of constant exposure to cleaning chemicals.[42]

Respondents maintain that petitioner is not entitled to permanent and total disability benefits and present the following arguments:

First, petitioner's nummular eczema is a pre-existing condition and not a work-related illness. Under Section 20 (A) of the 2010 POEA Standard Employment Contract (POEA-SEC),[43] the injury or illness of the seafarer must be suffered during the term of his/her contract in order to be compensable. Since petitioner already indicated before embarkation that he had known allergies to chemicals, food, and drugs, it follows that he did not contract nummular eczema during his employment. Consequently, petitioner's illness is not compensable.[44]

Respondents also argue that petitioner failed to prove that his illness is work-related. Nummular eczema is not a listed occupational disease under Section 32 (A) of the 2010 POEA-SEC. Even if it were, petitioner already had a history of allergies to environment, chemicals, food or drugs as admitted in his Medical Certificate For Sea Service. Petitioner complained of skin lesions barely a few weeks on board Azamara Quest. Petitioner likewise failed to sufficiently prove that there is a causal connection between his illness and the work for which he had been contracted. There being no work-related illness to speak of, any discussion on the application of the 120/240 day period and the completeness of the final assessment, if any, becomes moot.[45]

Second, even assuming that petitioner's illness is work-related, petitioner was eventually declared fit to work. While petitioner was diagnosed with nummular eczema, it was already resolved after undergoing extensive medical treatment with the company-designated physician as shown in the Final Report[46] dated January 17, 2019. Having been declared fit to work,

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40 *Rollo*, pp. 219–222.
41 *Id.* at 221.
42 *Temporary rollo*, Comment/Opposition, p. 4.
43 Now referred to as Department of Migrant Workers (DMW) Standard Employment Contract under Rule II, Section 49, Republic Act No. 11641 or the Department of Migrant Workers Act which took effect on February 3, 2022.
44 *Temporary rollo*, Comment/Opposition, pp. 9–13.
45 *Id.* at 13–20.
46 *Rollo*, p. 240.

consequently no degree of disability had been established, thereby negating any claim for disability benefits.[47]

Third, the fit to work assessment issued by the company-designated physician is final, definite, and conclusive. It enjoys the presumption of validity absent any showing that the said medical evaluation was fraudulently given. The same should be given credence since petitioner was constantly in their care since his repatriation until he was declared fit to work. Contrary to petitioner's contention that the doctors failed to issue a final, definite, and binding assessment, the January 17, 2019 Final Report was issued after months of treatment and evaluation indicating resolution of pruritic lesions and no other subjective complaints from petitioner. Verily, there was no disability to speak of.[48]

Fourth, loss of earning capacity does not, in itself, entitle petitioner to maximum disability benefits. Even assuming that petitioner's illness is work-related, petitioner failed to prove that his condition is a Grade 1 disability which entitles him to full disability benefits.[49]

Lastly, the assessment of the company-designated physician is final and binding in view of petitioner's failure to refer the conflicting findings to a third doctor. Petitioner submitted the second medical opinion dated February 20, 2019 which provided that he was "[deemed] unfit to work in the kitchen [and recommended for] transfer to another department." To respondents' mind, the NLRC and Labor Arbiter correctly found that there was no conflict in the assessment of the company-designated physician and petitioner's own doctor. Therefore, petitioner failed to validly challenge the final medical assessment of the company-designated physician. [50]

Issue

Is petitioner entitled to permanent and total disability benefits?

Our Ruling

The petition is partly meritorious.

The issue of whether or not petitioner is entitled to total and permanent disability benefits is factual in nature.[51] Generally, only questions of law are

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47 *Temporary rollo*, Comment/Opposition, pp. 20–22.
48 *Id.* at 22–27.
49 *Id.* at 27–32.
50 *Id.* at 32–37.
51 *Magsaysay Maritime Corp. v. Zanoria*, 881 Phil. 246, 256 (2020) [Per J. Inting, Second Division].

allowed to be reviewed in a petition for review under Rule 45.[52] Being a trier of law and not of facts, there is no need to reevaluate the evidence already reviewed below, as the factual determinations of the appellate courts are deemed final and binding on all parties involved.[53] There are exceptions to this rule, however, such as when: (1) the conclusion is grounded on speculations, surmises or conjectures; (2) the inference is manifestly mistaken, absurd or impossible; (3) there is grave abuse of discretion; (4) the judgment is based on a misapprehension of facts; (5) the findings of fact are conflicting; (6) there is no citation of specific evidence on which the factual findings are based; (7) the findings of absence of facts are contradicted by the presence of evidence on record; (8) the findings of the CA are contrary to those of the trial court; (9) the CA manifestly overlooked undisputed facts that if properly considered, would justify a different conclusion; (10) the findings of the CA are beyond the issues of the case; and (11) such findings are contrary to admissions of both parties.[54] Here, the exception applies since the CA manifestly overlooked undisputed facts that, if properly considered, would justify a different conclusion. Thus, the Court is compelled to reevaluate the factual findings of the courts *a quo*.

This Court has consistently held that the entitlement of a seafarer to disability benefits is governed by law, by the parties' contract, and by the medical findings.[55] Section 20, par. (A) of the 2010 POEA-SEC[56] governs the procedure for compensation and benefits for a work-related injury or illness suffered by a seafarer on board sea-going vessels during the term of his employment contract, to wit:

> SEC. 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[/her] contract* are as follows:
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> . . . .

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[52] *Parce v. Magsaysay Maritime Corp.*, 914 Phil. 556, 565 (2021) [Per J. Lopez, J., First Division], *citing Philippine Transmarine Carriers, Inc. v. Cristino*, 775 Phil. 108, 121 (2015) [Per J. Perez, First Division], *citing further Heirs of Pacencia Racaza v. Spouses Abay-Abay*, 687 Phil. 584, 590 (2012) [Per J. Reyes, Second Division].

[53] *Id.*, *citing Merck Sharp and Dohme (Phils.) v. Robles*, 620 Phil. 505, 512 (2009) [Per J. Nachura, Third Division].

[54] *Deocampo v. Seacrest Maritime Management, Inc.*, 903 Phil. 739, 747 (2021) [Per J. Lopez, J., Third Division], *citing Dionio v. ND Shipping Agency and Allied Services, Inc.*, 838 Phil. 953, 965–966 (2018) [Per J. Gesmundo, Third Division].

[55] *Reyes v. Jebsens Maritime, Inc.*, G.R. No. 230502, February 15, 2022 [Per C.J. Gesmundo, First Division] at 9–10. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website. (Citations omitted) *See Philippine Transmarine Carriers, Inc. v. Tena-e*, G.R. No. 234365, July 6, 2022 [Per J. Hernando, First Division] at 7. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website. *See* also *Benhur Shipping Corp. v. Riego*, G.R. No. 229179, March 29, 2022 [Per C.J. Gesmundo, First Division] at 13. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

[56] POEA Memorandum Circular No. 010-10, Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-Board Ocean-Going Ships, October 26, 2010.

2. . . However, if after repatriation, the seafarer still requires medical attention arising from said injury or illness, he[/she] shall be so provided at cost to the employer until such time he[/she] is declared fit or the degree of his [/her] 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[/her] employer in an amount equivalent to his[/her] basic wage computed from the time he[/she] signed off until he[/she] is declared fit to work or the degree of disability has been assessed by the company-designated physician. The period within which the seafarer shall be entitled to his[/her] sickness allowance shall not exceed 120 days. Payment of the sickness allowance shall be made on a regular basis, but not less than once a month.

. . . .

For this purpose, *the seafarer shall submit himself[/herself] to a post-employment medical examination by a company-designated physician within three working days upon his[/her] return except when he[/she] 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[/her] 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.

4. *Those illness not listed in Section 32 of this Contract are disputably presumed as work-related.*

. . . .

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[/her] Contract. Computation of his[/her] 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 Section 32 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. (Emphasis supplied)

Thus, under Section 20, par. (A) of the POEA-SEC, the employer shall be liable for disability benefits only when (1) the seafarer suffers a work-related injury or illness, and (2) the illness or injury existed during the term of the seafarer's employment contract.[57] Moreover, those illnesses not mentioned under Section 32 of the POEA-SEC are disputably presumed as work-related. As explained in *Reyes v. Jebsens Maritime, Inc.*:[58]

> The law clearly laid down a legal presumption of work-related illness or injury in favor of seafarers. This legal presumption was borne by the fact that the said list cannot account for all known and unknown illnesses/diseases that may be associated with, caused or aggravated by such working conditions, and that **the presumption is made in the law to signify that the non-inclusion in the list of occupational diseases does not translate to an absolute exclusion from disability benefits. Thus, the burden is on the employer to disprove the work-relatedness, failing which, the disputable presumption that a particular injury or illness that results in disability is work-related stands.**[59] (Emphasis supplied, citations omitted)

However, this disputable presumption does not equate to the automatic grant of disability benefits claim. The seafarer must justify one's entitlement to disability benefits by providing substantial evidence of the work-relatedness of his/her illness or disease.[60] Otherwise stated, petitioner must establish the reasonable causal connection between his nummular eczema and the work for which he was contracted. On the other hand, respondents carry the burden of disproving the work-relatedness of petitioner's nummular eczema.

Respondents do not dispute that petitioner's work constantly exposed him to cleaning agents and chemicals. They only harp on the fact that petitioner had previously declared in his Medical Certificate For Sea Service that he has/had prior allergies. A closer examination of petitioner's Medical Certificate For Sea Service[61] shows:

> Do you have or did you ever have any of the following conditions?
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> . . . .

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[57] *Reyes v. Jebsens Maritime, Inc.*, G.R. No. 230502, February 15, 2022 [Per C.J. Gesmundo, First Division] at 8, *citing Wilhelmsen Smith Bell Manning, Inc. v. Villaflor*, 869 Phil. 745, 752 (2020) [Per J. Reyes, Jr., J., First Division]. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website

[58] G.R. No. 230502, February 15, 2022 [Per C.J. Gesmundo, First Division].

[59] *Id.* at 8–9. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website. Citations omitted.

[60] *Ledesma v. C.F. Sharp Crew Management, Inc.*, G.R. No. 241067, October 5, 2022 [Per C.J. Gesmundo, First Division] at 10, *citing Dionio v. ND Shipping Agency and Allied Services, Inc.**+ 838 Phil. 953, 965 (2018) [Per C.J. Gesmundo, Third Division]. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website. (Citations omitted)

[61] *Rollo*, pp. 219–222.

	Yes	No
49. Allergies/anaphylaxis to environment, chemicals, food or drugs	✓	

. . . .

Question #:	Comments:
49.	Allergy to latex and nickel[62]

Thus, while petitioner indicated "Yes" to allergies/anaphylaxis to environment, chemicals, food or drugs, it was also clearly indicated therein that it specifically pertained to latex and nickel.[63] This disclosure does not indicate that petitioner was making a general admission of allergy to environment, chemicals, food, or drugs as a whole, but rather acknowledging those specific allergens only. Notably, the records do not show that petitioner had exposure to latex and nickel while performing his work as AZ Commis 2. Consequently, there is no basis to support respondents' claim that petitioner's illness was already pre-existing as declared in his Medical Certificate Fit for Sea Service. In any case, compensability of an illness does not depend on whether the injury or disease was pre-existing at the time of employment but rather on whether the injury or illness is work-related or had been aggravated by the seafarer's working condition.[64] In addition, if petitioner had already been afflicted with nummular eczema prior to employment, these rashes would have been visible during his pre-employment examination, and he would not have been cleared for duty or placed in charge of food preparation and kitchen sanitation. In fact, he would not have been employed at all if he had this condition prior to his employment.[65]

In *Grace Marina Shipping Corp. v. Alarcon*,[66] the Court had the occasion to discuss that nummular eczema may be triggered by direct exposure to cleaning agents and other chemicals, and thus is work-related and compensable:

> The evidence shows that during his eight-month stint aboard "M/V Sunny Napier II," respondent was constantly exposed to chemicals. **His sole responsibility as messman was to maintain overall sanitation – cleaning the messroom, the area on board, the cabins, washing dishes, clothes, etc.; this cannot be done without the aid of cleaning agents, substances, and chemicals. Thus, he inhaled and came into direct skin or body contact with such irritating and injurious chemicals and fumes. Certainly, as with any other seafarer, he was subjected to stress at work, climate changes, and changes, and other environmental factors or elements. As a result, he contracted nummular eczema and psoriasis which spread all over his body**.

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62 *Id.* at 221–222.

63 *Id.* at 222.

64 *Reyes v. Jebsens Maritime, Inc.*, G.R. No. 230502, February 15, 2022 [Per C.J. Gesmundo, First Division] at 8. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website. Citations omitted.

65 *Grace Marina Shipping Corp. v. Alarcon*, 769 Phil. 474, 490 (2015) [Per J. Del Castillo, Second Division].

66 769 Phil. 474 (2015) [Per J. Del Castillo, Second Division].

. . . .

Nummular eczema, "also known as discoid eczema and nummular dermatitis, is a common type of eczema that can occur at any age. It is notable because it looks very different [from] the usual atopic dermatitis and can be much more difficult to treat. **The word "nummular" comes from the Latin word for "coin" as the spots can look coin-shaped [. . .]. They tend to be well-defined, [and] may be very itchy or not [. . .] at all. They can be very dry and scaly or [. . .] wet and open**. The cause of nummular eczema is unknown, but it tends to be more isolated than atopic dermatitis and does not seem to run in families. Sometimes there is a triggering event such as: a. an insect bite; b. a reaction to inflammation (including atopic dermatitis) elsewhere on the body; c. dry skin in the winter." **Direct exposure to cleaning agents and other chemicals and the fumes thereof – which naturally cause irritation and thus inflammation as a physiological reaction, as well as climate or temperature changes, can be said to have triggered respondent's nummular eczema.**

. . . .

It remains undisputed that the respondent used strong detergent, fabric conditioner, special soap and chemicals in performing his duties as a steward. Stress and climate changes likewise permeate his working environment as with that of any other seafarer. These factors, taken together with Dr. Fugoso's certification, confirm the existence of a reasonable connection between the nature of respondent's work and the onset of his psoriasis.

. . . .

Adopting the pronouncement in *Maersk* in its entirety and applying it to the present case, the Court finds that respondent's psoriasis and nummular eczema, which have not been cured, are work-connected and thus compensable. He is unfit to continue his duties as messman, as his illness prevents him from performing his functions as such. Up to this point, it does not appear that petitioners took him back to work for their principal, or that a declaration of fitness to work or that his condition has been resolved or cured has been issued.[67] (Emphasis supplied, citations omitted)

Respondents failed to offer any evidence to controvert the work-relatedness of petitioner's nummular eczema. To recall, petitioner's work as AZ Commis 2 entailed exposure to cleaning materials such as sanitizers, bleaches, acids, degreasers, and detergents. His direct exposure to these chemicals, stress, and climate changes, coupled with Dr. Maralit's certification that petitioner is suffering from dyshidrotic eczema and nummular eczema, confirm the existence of a reasonable connection between the nature of his work and his eczema. Worth noting too is Dr. Maralit's declaration that petitioner is unfit to work in the kitchen and recommended his transfer to another department. Thus, at the time of petitioner's examination by his own physicians of choice, his nummular eczema had not yet been resolved.

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[67] *Id.* at 491–495.

Having established the work-relatedness of petitioner's illness, We now determine his entitlement to permanent and total disability benefits.

Section 2, Rule X of the Amended Rules on Employees' Compensation implementing Title II, Book IV of the Labor Code, provides:

> 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. (Emphasis supplied)

In *Elburg Shipmanagement Phils., Inc. v. Quiogue*,[68] the rules governing claims for total and permanent disability benefits are summarized as follows:

> In summary, if there is a claim for total and permanent disability benefits by a seafarer, the following rules … shall govern:
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> 1. The company-designated physician must issue a final medical assessment on the seafarer's disability grading within a period of 120 days from the time the seafarer reported to him[/her];
>
> 2. If the company-designated physician fails to give his[/her] assessment within the period of 120 days, without any justifiable reason, then the seafarer's disability becomes permanent and total;
>
> 3. If the company-designated physician fails to give his/[her] assessment within the period of 120 days with a sufficient justification (e.g., seafarer required further medical treatment or seafarer was uncooperative), then the period of diagnosis and treatment shall be extended to 240 days. The employer has the burden to prove that the company-designated physician has sufficient justification to extend the period; and
>
> 4. If the company-designated physician still fails to give his[/her] assessment within the extended period of 240 days, then the seafarer's disability becomes permanent and total, regardless of any justification.[69]

It is further required that to be considered complete and definite, the final medical assessment timely issued by the company-designated physician must: 1) include a definitive declaration as to the capacity of the seafarer to return to work, or at least a categorical and final degree of the seafarer's disability;[70] and 2) be furnished to the seafarer.[71] This is precisely because "it is the issuance and

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[68] 765 Phil. 341 (2015) [Per J. Mendoza, Second Division].

[69] *Id.* at 362–363.

[70] *Parce v. Magsaysay Maritime Corp.*, 914 Phil. 556, 570 (2021) [Per J. Lopez, J., First Division], *citing Abundo v. Magsaysay Maritime* Corp., 866 Phil. 334, 351 (2019) [Per J. Inting, Second Division].

[71] *Id.*

the corresponding conveyance to the [seafarer] of the final medical assessment by the company-designated physician that triggers the application of Section 20(A)(3) of the 2010 POEA-SEC."[72]

Here, the Final Medical Report[73] dated January 17, 2019 issued by Shiphealth reads:

> Date: January 17, 2019
>
> Attn: **JUNMARIE GUMIRAN, BSN, RN, MSDN**
> Crew Medical Case Manager
> Crew Medical, Risk Management Dept
> Royal Carribean Cruises, Ltd.
>
> Re: **CHARLONNE KEITH LACSON, ID No.** 995795
> AZ Commis 2/ Azmara Quest
> Disembarkation: August 19, 2018
> Initial Consult: August 23, 2018
> Birthdate: May 23, 1986
> Days from Disembarkation: 151 Days
>
> **FINAL REPORT**
>
> On his last follow up on January 17, 2019, Mr. Lacson claimed resolution of pruritic lesions. He had no other subjective complaints. Final diagnosis was nummular eczema, resolved. With no further intervention warranted at that time, Mr. Lacson was then cleared by Dermatology service for the condition referred.
>
> Final Diagnosis:
> - Nummular Eczema
> - s/p 3 sessions of Intralesional Steroid Injection, right and left leg (December 13, 2018, January 3, 2019, January 10, 2019 – Manila)
>
> Prepared by:
>
> (signed)
> Shiphealth Medical Team/MBS

Surely, in its Final Report, Shiphealth failed to provide any declaration as to petitioner's capacity to return to work, nor any categorical and final degree of his disability. Respondents also failed to dispute petitioner's claim that the latter only saw the Final Report for the first time in their position paper. Thus, We find merit in petitioner's claim that the Final Report was issued beyond the 120/240-day period for respondents' failure to furnish him a copy thereof within the said periods. In *Grossman v. North Sea Marine Services Corp.*,[74] We held:

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[72] *Id.* (Citation omitted)
[73] *Rollo*, p. 240.
[74] G.R. No. 256495, December 7, 2022 [Per J. Kho, Jr., Second Division].

> Further, case law provides that **the obligation of the company-designated physician to issue a final and definite assessment carries the correlative obligation to fully and properly inform and explain to the seafarer his findings and assessment**. This requirement of proper notice is necessary considering the process laid down in Section 20-A of the POEA-SEC which the seafarers, the employers, and the latter's agents must comply with, failing at which, could adversely affect the non-compliant party. Thus, in *Gere v. Anglo-Eastern Crew Management Phils., Inc.*, through Associate Justice Andres B. Reyes, Jr., the Court held that the "**the company-designated physician is mandated to issue a medical certificate, which should be personally received by the seafarer, or, if not practicable, sent to [them] by any other means sanctioned by present rules**"; failing at which, they fail to comply with the due process requirement and consequently, with the foregoing guidelines.
>
> ....
>
> **For one, on its face, the December 27, 2016 Medical Report provides no categorical statement that petitioner is no longer fit to resume duties. Moreover, while it indicated that GCT is not listed in the POEA-SEC, said report likewise provides no clear and definite declaration that GCT is not work-related, with the supporting reasons or explanations for this conclusion.** It bears stressing that illnesses not listed as occupational diseases under Section 32 of the POEA-SEC are presumed work-related, and thus, the employer bears the burden of proving otherwise, failing at which, the legal presumption of work-relation stands.
>
> **Additionally, the Court observes that the December 27, 2016 Medical Report was not meant to inform and explain to petitioner the assessment of Dr. Chua of the former's disability. In fact, there was hardly any indication in the records that respondents informed petitioner of the company-designated physician's final and definite assessment at any time within the prescribed periods. Rather, said report was clearly addressed solely to North Sea and its officials to apprise them of the status of petitioner's treatment. To reiterate, the company-designated physician must issue a medical certificate, which should be personally received by the seafarer, failing at which, they fail to comply with the due process requirement and consequently, with the guidelines laid down by the Court.**[75] (Emphasis supplied, citations omitted)

Applying the foregoing to the case at bar, Shiphealth failed to issue the final and definite medical assessment required by law. Records are bereft of any proof that respondents informed petitioner of Shiphealth's final and definite assessment within the prescribed periods. In fact, the Final Report was addressed to the Crew Medical Case Manager of Royal Carribean Cruises, Ltd., rather than petitioner. Neither is there any allegation or proof that a copy of the said report was furnished to petitioner.

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[75] *Id.* at 12; 13–14. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website. See also *Fleet Management Services Philippines, Inc. v. Lescabo*, G.R. No. 268962, June 10, 2024.

The Court also observes that the Crew Fit for Duty Notice[76] dated January 24, 2019 was not issued by Shiphealth and therefore, cannot be considered as the declaration of petitioner's capacity to work within the purview of the required final and definite medical assessment. In addition, the failure of the report to indicate the name of the alleged specialist who examined the seafarer renders it dubious.[77] Thus, the CA erred in considering Shiphealth's Final Report dated January 17, 2019 as valid, final, and definite.

The lack of a conclusive and definite assessment from respondents' company-designated physician left petitioner nothing to properly contest.[78] In other words, since there is no valid, final, and definite assessment by Shiphealth, there is no need for petitioner to initiate the referral to a third doctor for him to be entitled to permanent disability benefits.[79] It was by operation of law that petitioner became permanently disabled.[80] As such, he is entitled to a disability pay of USD 60,000.00 or its peso equivalent at the time of payment.

As to petitioner's claim for moral and exemplary damages, We find the same unwarranted. Moral damages are only recoverable if the adverse party has acted fraudulently or in bad faith or in wanton disregard of his contractual obligations,[81] while exemplary damages may be awarded if the defendant acted in a wanton, fraudulent, reckless oppressive, or malevolent manner.[82] In this case, the evidence is lacking to prove that respondents acted in bad faith or in a malevolent manner in refusing to grant petitioner disability benefits. However, petitioner is entitled to attorney's fees since he was compelled to litigate in pursuit of his claims for disability benefits.[83]

ACCORDINGLY, the petition is **GRANTED**. The Decision dated April 14, 2023 and the Resolution dated October 10, 2023 of the Court of Appeals in CA-G.R. SP No. 171761 are **REVERSED** and **SET ASIDE**. Respondents are jointly and severally liable to pay petitioner Charlonne Keith Lacson the amount of USD 60,000.00 or its equivalent amount in Philippine currency at the time of payment plus ten percent (10%) as attorney's fees. Respondents are also **ORDERED** to **PAY** interest at the rate of six percent (6%) per *annum* from the date of finality of the Decision until full payment.

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[76] *Rollo*, p. 241.

[77] *Benhur Shipping Corp. v. Riego*, G.R. No. 229179, March 29, 2022 [Per C.J. Gesmundo, First Division] at 15. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

[78] *Razonable vs. Maersk-Filipinas Crewing, Inc.*, 873 Phil. 999, 1012 (2020) [Per J. Caguioa, First Division].

[79] *Id.*

[80] *Parce v. Magsaysay Maritime Corp.*, 914 Phil. 556, 571 (2021) [Per J. Lopez, J., First Division]. (Citation omitted)

[81] *Reyes v. Jebsens Maritime, Inc.*, G.R. No. 230502, February 15, 2022 [Per C.J. Gesmundo, First Division] at 15, *citing Yamauchi v. Suñiga*, 830 Phil. 122, 138 (2018) [Per J. Martires, Third Division]. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

[82] *Id.*

[83] NEW CIVIL CODE, Art. 2208.

SO ORDERED.

RAMON PAUL L. HERNANDO
Associate Justice
Working Chairperson

WE CONCUR:

ALEXANDER G. GESMUNDO
Chief Justice
Chairperson

RODIL V. ZALAMEDA
Associate Justice

RICARDO R. ROSARIO
Associate Justice

JOSE MIDAS MARQUEZ
Associate Justice

CERTIFICATION

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

ALEXANDER G. GESMUNDO
Chief Justice