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"Consequently, since the appellant Aetna Casualty & Surety Company is not engaged in the business of insurance in the Philippines but is merely collecting a claim assigned to it by the consignee, it is not barred from filing the instant case although it has not secured a license to transact insurance business in the Philippines."

Indeed, if a foreign corporation, not engaged in business in the Philippines, is not barred from seeking redress from courts in the Philippines, *a fortiori*, that same corporation cannot claim exemption from being sued in Philippine courts for acts done against a person or persons in the Philippines.

**WHEREFORE**, THE PETITION IS HEREBY DENIED WITH COSTS AGAINST THE PETITIONERS.

**SO ORDERED.**

*Teehankee, (Chairman), Fernandez, Guerrero, De Castro,* and *Melencio-Herrera, JJ.*, concur.

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**FIRST DIVISION**

[G.R. No. L-43134. March 26, 1979]

**CARMELITA E. VEGA,** *petitioner, vs.* **WORKMEN'S COMPENSATION COMMISSION and REPUBLIC OF THE PHILIPPINES (Bureau of Public Schools),** *respondents.*

**SYLLABUS**

1. **LABOR AND SOCIAL LEGISLATION; WORKMEN'S COMPENSATION; APPEAL WITHIN REGLEMENTARY PERIOD IS MANDATORY** — The principle that perfection of appeal within the reglementary period is mandatory and jurisdictional, and that failure to do so renders the questioned

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decision final and executory that deprives the appellate court of jurisdiction to entertain appeal applies to judgments of courts and of quasi-judicial agencies like the Workmen's Compensation Commission. This rule of finality of judgments being founded on public policy operates against all employers in compensation cases whether private or public.

2. ID.; ID.; PETITION FOR RELIEF; "VOLUME AND HEAVY PRESSURE OF WORK," NOT A VALID GROUND FOR PETITION FOR RELIEF. — The petition for relief from judgment within the 30-day grace period, under Section 1, Rule 22 of the Revised Rules of the Commission must be grounded on fraud, accident, mistake or excusable negligence. The ground invoked by the Solicitor General, *i.e.*, "volume and heavy pressure of work" resulting in its inability to take an appeal of file of a motion for reconsideration has no merit.

3. ID.; ID.; ID.; GRAVE ABUSE OF DISCRETION; WHEN COMMITTED. — In improvidently proceeding to pass the substantial merits of the referee's award, after it had ordered the elevation of the entire records of the claim, without first decisively resolving the propriety of the petition for relief from judgment, the Workmen's Compensation Commission committed grave abuse of discretion. The award appealed from having become final, and the petition availed of not being authorized by the rules, the respondent Commission did not acquire appellate jurisdiction over the case and, hence, its decision reversing the award and dismissing the claim is null and void.

4. ID.; WORKMEN'S COMPENSATION; NON-CONTROVERSION OF CLAIM; EFFECT. — Non-controversion of the claim constitutes a waiver of all non-jurisdictional defenses and, consequently, an admission of compensability of the claim by the employer.

5. ID.; ID.; PRESUMPTION OF COMPENSABILITY; APPLICATION. — Where it is established that claimant's illness supervened in the course of employment, there arises from his favor the rebuttable presumption that the said illness either arose out of, or at least was aggravated by , the nature of his employment,

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**APPEARANCES OF COUNSEL**

*Pedro D. Bunao* and *Amado A. Caballero* for petitioner.

*Acting Solicitor General Hugo E. Gutierrez Jr., Assistant Solicitor General Eulogio Raquel-Santos* and *Solicitor Simfronio I. Ancheta* for respondents.

## DECISION

**DE CASTRO, *J.*:**

This is a petition for review[1] of the decision of the Workmen's Compensation Commission which reversed the award rendered by the Hearing Referee granting petitioner disability compensation benefits under Sections 13 and 14 of the Workmen's Compensation Act, as amended.

The referee's decision dated November 5, 1975 granted petitioner-claimant Carmelita E. Vega ₱6,000.00 as disability compensation for her ailment diagnosed as ectopic pregnancy, complicated with hypertension and urinary tract infection, besides having undergone hysterectomy, which caused her disability for labor as a public school teacher; ₱5,391.40 as reimbursement of medical and hospital expenses; and ₱61.00 as administrative fee.

The Solicitor General received a copy of the award on November 11, 1975, but failed to timely take an appeal allegedly due to "volume and heavy pressure of work." Instead, it filed on December 10, 1975 a pleading denominated Petition to Elevate the Records for Relief from Judgment. The respondent Commission, acting on the merits of the petition, reversed the award and dismissed the claim, ruling that claimant's ectopic pregnancy (pregnancy outside the uterus) does not come within the compensatory ambit of the law and that there is proof that her alleged hypertension was complicated as would result to incapacity. Hence, on April 7, 1976, claimant filed the instant

[1] Treated as special civil action in the resolution of September 17, 1976.

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petition wherein she assailed the respondent Commission's decision dated January 30, 1976 as contrary to law.

The petition is meritorious. On the basis of controlling jurisprudence that the Workmen's Compensation Commission loses appellate power to review the decision of a hearing officer that has lapsed into finality, the Court sets aside the disputed decision and reinstates the award rendered by the hearing referee.

The principle that perfection of appeal within the reglementary period is mandatory and jurisdictional, and that failure to do so renders the questioned decision final and executory that deprives the appellate court of jurisdiction to entertain the appeal applies to judgments of courts and of quasi-judicial agencies like the Workmen's Compensation Commission. This rule of finality of judgments being founded on public policy operates against all employers in compensation cases whether private or public. In *Cruz vs. Workmen's Compensation Commission*,[2] the Court speaking thru Justice Teehankee, reaffirmed the doctrine in *Soliven vs. Workmen's Compensation Commission*[3] thus:

"x x x '(the) basic rule of finality of judgment is applicable indiscriminately to one and all and regardless of whether respondent employer be a public or private employer, since the rule is grounded on fundamental considerations of public policy and sound practice that at risk of occasional error, the judgment of courts and award of quasi-judicial agencies must become final at some definite date fixed by law,' and '(I)t is of course beyond question that the perfection of an appeal within the statutory or reglementary period is mandatory and jurisdictional and that failure to so perfect an appeal renders final and executory the questioned decision and deprives the appellate court of jurisdiction to entertain the appeal. The lapse of the appeal period deprives the courts of jurisdiction to alter the final judgment.'" (Citing *Carreon vs. Workmen's Compensation Commission* [May 31, 1977], 77 SCRA 297, 300; See *Ramos vs. Republic*, 69 SCRA 576 [1976], and *Vitug vs. Republic*, 75 SCRA 436 [February 28, 1977].

Since it is undisputed that the Solicitor General received notice of the referee's award on November 11, 1975 and did not

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[2] PHILAJUR 436, 440 (January 31, 1978).

[3] 77 SCRA 519, 521 (June 30, 1977).

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interpose a timely appeal within the 15-day statutory period, it is obvious that the award had already become final and executory when the respondent Commission rendered its reversal decision on January 30, 1976.

It is true that the Solicitor General filed a petition for relief from judgment within the 30-day grace period, but under the rules[4] such petition must be grounded on fraud, accident, mistake or excusable negligence. The ground invoked by the Solicitor General in the petition *i. e.,* "volume and heavy pressure of work" resulting in its inability to take an appeal or file a motion for reconsideration has no merit.[5] The ground has been rejected by the Court in *Cruz vs. Workmen's Compensation Commission*[6] with admonition:

"In the Luzon Stevedoring Corporation cases (71 SCRA 655). wherein the Court commended the Commission for recognizing in the sixteen (16) separate cases therein involved its lack of appellate jurisdiction to review or set aside the questioned awards which had already become final and executory and 'thereby relieving this Court from the needless burden of having to set aside its action had it arbitrarily resolved the matter otherwise' (contrary to the action taken by it in the cases at bar), the Court in dealing with respondent's counsel's plea of volume and pressure of work cited the now Chief Justice's admonition in *Republic vs. Lim* (42 SCRA 163) that in 'failing to take the necessary and appropriate precautions required by the circumstances, which resulted in (its) being unable to take an appeal from the said award of the referee,' the [respondent] has only (itself) to blame.'"

In improvidently proceeding to pass upon the substantial merits of the referee's award, after it had ordered the elevation of the entire records of the claim, without first decisively resolving the propriety of the petition for relief from judgment, respondent

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[4] Section 1, Rule 22 of the Revised Rules of the Commission.

[5] *Pantoja vs. Republic, et al.,* L-43317, December 29, 1978, citing *Pepito vs. WCC,* SCRA 39 [1978]; *Bilbao vs. Republic,* 80 SCRA 178 [1978]; and *Ranada vs. WCC,* 73 SCRA 263 [19761.

[6] *Supra.*

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Commission committed grave abuse of discretion. The award appealed from having become final, and the petition availed of not being authorized by the rules, the respondent Commission did not acquire appellate jurisdiction over the case and, hence, its decision reversing the award and dismissing the claim is null and void.

At any rate, We note that the referee has made it clear in the award that the respondent Republic did not effectively controvert the claim. Nevertheless, the respondent Commission justifies its reversal on the ground that "mere failure to controvert will not make a claim compensable if in its very face it is not so." Although there is logic in its conclusion, we hold that the respondent Commission cannot disregard the settled doctrine in compensation cases that non-controversion of the claim constitutes a waiver of all non-jurisdictional defenses and, consequently, an admission of compensability of the claim by the employer.[7]

"The effect of non-controversion on the part of the employer is, indeed, far-reaching. As enunciated in a long line of decisions, this inaction constitutes a waiver of any conceivable defense not jurisdictional in nature, and fatal to those that might have been raised by the employer; it is a renunciation of the right to challenge the propriety of the claim; and ultimately it is an admission of compensability by the employer.[8] Hence, as articulated in *Agustin vs. Workmen's Compensation Commission*[9] the claimant-petitioner's right to compensation becomes all the more impregnable when we take into account that the employer's right to controvert the claim has been forfeited due to its failure to file with the Commission the notice of controversion prescribed by the second paragraph of Section 45 of the Act."

In the case at bar, the respondent Commission states in its decision that the petitioner-claimant has proved by ample evidence

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[7] *Zafra vs. WCC*, L-42990, November 21, 1978.

[8] *Seven Up Bottling Co. vs. Vda. de Tero*, L-31995, February 12, 1973; *Vda. de Galang vs. WCC*, L-42531, March 30, 1977, 76 SCRA 153, etc.

[9] L-19957, September 29, 1964, 12 SCRA 55.

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not only her employment with the respondent Bureau of Public Schools but also her disability for work on account of her illness since April 13, 1971 to November 21, 1971. Having established that petitioner's illness supervened in the course of employment, there arises in her favor the rebuttable presumption that the said illness either arose out of, or at least aggravated by, the nature of her employment, and that consequently, the burden to show by substantial evidence to the contrary lies with the employer.[10] We noted that respondent employer failed to discharge this burden of proof.

**ACCORDINGLY,** the decision dated January 30, 1976 of the Workmen's Compensation Commission is hereby set aside, and the award dated November 5, 1975 of the Hearing Officer is hereby reinstated *in toto.*

No costs.

**SO ORDERED.**

*Teehankee (Chairman), Makasiar, Fernandez, Guerrero,* and *Melencio Herrera, JJ.*, concur.

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**FIRST DIVISION**

[G.R. No. L-45996. March 26, 1979]

**LORENZA D. LANDICHO,** *petitioner, vs.* **WORKMEN'S COMPENSATION COMMISSION and CANLUBANG SUGAR ESTATE,** *respondents.*

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[10] *Zafra vs. Workmen's Compensation Commission, supra.*