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FIRST DIVISION

[G.R. No. L-43096. August 31, 1978]

JOSE Y. LIM, *petitioner, vs.* **WORKMEN'S COMPENSATION COMMISSION and REPUBLIC OF THE PHILIPPINES (Department of Justice),** *respondents.*

SYLLABUS

1. **LABOR AND SOCIAL LEGISLATION; WORKMEN'S COMPENSATION ACT; FINDINGS OF REFEREE ARE NOT MERELY INTERLOCUTORY.** — The findings of the referee and the award rendered by reason thereof were not merely "interlocutory' in character but constitute a definitive judgment which decides with finality the rights of the parties on the claim for disability compensation of the employee notwithstanding the fact that the judgment reserves pronouncement on the reimbursement of medical expenses. The reimbursement for medical expenses does not constitute the basic relief sought for but is a mere incident of the claim, consequently, its resolution at some future time does not convert the referee's decision into an "interlocutory order" or judgment.

2. **ID.; ID.; ID.; EFFECT OF FAILURE TO APPEAL A FINAL AND EXECUTORY JUDGMENT.** — Where the referee's decision is final in character and therefor appealable, the same became final and executory upon the expiration of the 15-day reglementary period with no appeal having been taken by the employer. And although the employer could file a Petition for Relief under the Rules of the Commission, that has to be accomplished within 30 days from notice of the award and within three months after rendition of the latter. Failure to file Petition for relief within said periods could not validly confer jurisdiction on the Commission to review the decision of the referee.

3. **ID.; ID.; COMMISSION IS WITHOUT JURISDICTION TO SET ASIDE A FINAL AWARD.** — The Workmen's Compensation Commission lacks jurisdiction and authority to set aside an award of a referee which had become final and executory for failure to appeal the same and to grant a petition for relief from judgment

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of the referee that was filed beyond the ultimate grace period fixed by the Rules of the Commission. This basic rule of finality of judgment is applicable indiscriminately to one and all regardless of whether respondent employer be a public or a private or a private employer.

APPEARANCES OF COUNSEL

Francisco G. H. Salva for petitioner.

Ernesto H. Cruz and *Brenda Lumabao* for respondent WCC.

Solicitor General Estelito P. Mendoza Assistant Solicitor General Reynato S. Puno and *Solicitor Ramon A. Barcelona* for respondent Republic of the Philippines, *etc.*

D E C I S I O N

MUÑOZ PALMA, *J.*:

What is in issue here is the alleged finality of an award rendered in favor of Jose Y. Lim and against the Republic of the Philippines (Department of Justice) by Hearing Officer Francisco V. Alejan, Regional Office No. 4, Department of Labor, on October 20, 1975, the dispositive portion of which reads:

"WHEREFORE, judgment is rendered in favor of the claimant and the respondent is hereby ordered.

1. To pay the claimant the sum of SIX THOUSAND (₱6,000.00) PESOS as compensation pursuant to Sections 14 and 18 of Act 3428, as amended; and

2. To pay the Workmen's Compensation Commission the sum of SIXTY-ONE (₱61.00) PESOS as administrative fee pursuant to Section 55 of the same law.

All payments shall be made through this Office in accordance with the policy of the Commission." (p. 38, WCC records)

The following facts are borne out by the record of the case.

Jose Y. Lim first worked with the Department of Justice on March 23, 1945 and since then he served in various capacities until on October 15, 1957, the was given a permanent appointment

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as attorney in the same Department. He was promoted several times in position and salary, and when he retired on November 25, 1972, at the age of 60, he was holding the item of Assistant Chief State Prosecutor with an annual compensation of ₱19,000.00.[1]

On May 16, 1974, Lim filed with the Labor Regional Office No. 4 a "notice of sickness and claim for disability compensation."[2] Notice was given to the Secretary of Justice concerning the filing of this claim[3] and although the same was not formally controverted[4] the case was set for hearing in the month of September, 1975 with notice to the parties.[5] Furthermore, the claimant was referred to the Labor Compensation Rating Medical Officer for physical examination.

Predicated on the findings of the Compensation Rating Medical officer that Jose Y. Lim was suffering from a "10% permanent partial non-scheduled disability" due to hypertension and essential hypertensive heart disease,[6] the report of Dr. Emmanuel T. Gatchalian of St. Luke's Hospital that Lim was confined in said hospital from February 26 to March 12, 1966, for "hypertension, essential hypertensive heart disease and ischemic heart disease,"[7] another report of Dr. Augusto Camara, a specialist in "internal medicine-cardiology" showing that Jose Lim was treated by him for February 26, 1969 to July 29, 1975,[8] and the claimant's contention that the foregoing ailments were sustained in the course of his employment with the Department of Justice and that they were the immediate cause for his early retirement from work on November 25, 1975, and considering

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[1] pp. 31, 32, WCC records.

[2] p. 25, *ibid.*

[3] p. 22, *ibid.*

[4] p. 26, *ibid.*

[5] p. 29, *ibid.*

[6] p. 36, *ibid.*

[7] pp. 33-34, *ibid.*

[8] pp. 45-46, *ibid.*

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that no evidence was submitted by the employer to dispute the above facts, the hearing officer rendered his decision of October 20, 1975 the dispositive portion of which We quoted earlier.[9] The claim for reimbursement of medical expenses was however held in abeyance pending submission of official receipts in support thereof.

A copy of the referee's decision was received by the Office of the Solicitor General on *November 5, 1975*, nonetheless, no action was taken by respondent employer until *January 7, 1976,* when the Office of the Solicitor General filed with respondent Commission a "Petition to elevate records for relief from judgment" under Sections 1 and 3, Rule 22 of the Rules of the Workmen's Compensation Commission. (pp. 50-54, *ibid.*)

In a decision dated January 21, 1976, respondent Commission set aside the referee's award reasoning as follows:

"The claim is anchored on a service-connected illness which was not proved to show its credibility. The only medical evidence on record is the Physician's Report which is not corroborated by any laboratory report or an Electrocardographic examination conducted on the claimant per findings of the Evaluation Division of this Commission, dated January 21, 1976, to determine his illness and the possibility of any complication that may have resulted in his incapacity for labor. On the contrary, his Service Record indicated that he retired from the government service on November 25, 1972 (Service Record). Besides, hypertension per se is not compensable under Act 3428, as amended, since it is not an illness but a result of ageing process common to men upon reaching the age of 60 and above, like the claimant herein." (pp. 57-58, *ibid.*)

Claimant Jose Lim comes now before this Court and submits that the foregoing decision of respondent Commission was rendered without jurisdiction and is therefore null and void for the reason that the decision of the referee of October 20, 1975 had become "final, unappealable and executory" for failure of the employer to file within 15 days from receipt of copy thereof a motion for reconsideration or review of the same, (Rule 23,

[9] pp. 38-39, *ibid.*

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Section 1 of the Rules of the Workmen's Compensation Commission) and that the employer's Petition for Relief from Judgment was filed beyond the period provided for in Rule 38 of the Rules of Court.

In its comment on this Petition for review, the employer, Department of Justice, represented by the Solicitor General, meets the foregoing contention of petitioner as follows: *First*, the petition for relief from judgment was filed by the Office of the Solicitor General not under Rule 38 of the Rules of Court but under Section 3, Rule 22 of the Rules of Workmen's Compensation Commission which provides:

"Section 3. *Time for Filing Petition, Contents and Verification.* — The petition under Section 1 hereof must be verified, filed within thirty (30) days after the petitioner learns of the decision, award, or order or other proceedings sought to be set aside and not more than three (3) months after such decision or award was entered or such proceedings were taken, and must be accompanied with affidavits showing the fraud, accident, mistake or excusable negligence relied upon and the facts constituting the petitioner's good and substantial cause of action or defense, as the case may be." (p. 67, *rollo*)

Second, the 30-day period provided for in the above-quoted Section 3 is to be counted not from *November 5, 1975* when the employer received copy of the referee's award but from *December 12, 1975* when it received the latest order of the referee of November 17, 1975, granting reimbursement of claimant's medical expenses. This is so because the decision of October 20, 1975 was not a final disposition of the case but merely a partial decision as it explicitly reserved pronouncement on the reimbursement of the medical expenses pending presentation of official receipts by the claimant, and consequently, the decision of October 20, 1975 was merely an "interlocutory judgment" and not appealable under Section 5, Rule 19 of the Workmen's Compensation Commission, to wit:

"Sec. 5 — *Interlocutory order not subject to Review.* — No interlocutory order in any case shall be subject to appeal."[10]

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[10] p. 69, *rollo*.

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Hence, the filing of the petition for relief from judgment on January 7, 1976, was within the 30-day period provided for in Section 3, Rule 22 of the Rules of the Workmen's Compensation Commission.

The foregoing arguments of the Solicitor General are devoid of merit.

1. The referee's award of October 20, 1975, is not in the nature of an "interlocutory judgment" because said award *finally disposed of the basic claim* for disability compensation of petitioner Lim. The referee made his findings of "essential ultimate facts" upon which he based his award against the respondent employer. Thus, the referee held: (1) that claimant contracted hypertension, hypertensive heart disease and ischemic heart disease, in the court of employment with the Department of Justice; (2) that claimant's illness was a result of and aggravated by the employment due to the nature of his work as Assistant Chief State Prosecutor which subjected him to physical and mental stress; (3) that claimant was under temporary total disability from November 25, 1972 to May 25, 1973 and sustained 10% permanent partial non-scheduled disability; and (4) that there was no evidence adduced by the employer to dispute the above facts.

These findings of the referee and the award rendered by reason thereof were not merely "interlocutory" in character but constituted a *definitive judgment* which decided with finality the rights of the parties on the claim for disability compensation of herein petitioner.[11]

The reimbursement for medical expenses did not constitute the basic relief sought for but was a mere incident of the claim, consequently, its resolution at some future date did not convert the referee's decision into an "interlocutory" order or judgment as claimed by respondent employer.

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[11] See *Miranda vs. Court of Appeals, Hon. Tantuico, et al.*, 1976, 71 SCRA 295, 323, per Teehankee, *J.*: *De Guzman, et al. vs. Court of Appeals, et al.*, 74 SCRA 222, per Makasiar, *J.*

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In *Halili vs. Court of Industrial Relations, 1968,* We have a parallel situation. Fortunato Halili was charged before the Court of Industrial Relations with violation of the Eight-Hour Labor Law and after a hearing the CIR rendered a decision on August 7, 1961, finding Halili guilty as charged. No appeal was taken by Halili within the reglementary period. The decision required, among other things, the Examining Division of the CIR to compute the compensable hours, *etc.* due to the claimants. In the course of the computation being made, the CIR directed the court examiner to investigate and examine all trip reports, *etc.*, of Halili. A motion for reconsideration having been denied, Halili elevated the case to this Court and among the issues to be resolved was whether or not the *decision of August 7, 1961* was *incomplete and interlocutory* by reason of the fact that it still required computation of the compensable hours of the claimants. This Court in its Decision penned by Justice Jose P. Bengzon held, *inter alia:*

"The word "*interlocutory* is defined as `something intervening between the commencement and the end of a suit which decides some point or matter, but is not a final decision of the whole controversy.' As stated by Bouvier, it is 'something which is done between the commencement and the end of a suit or action which decides some point or matter which, however, is not a final decision of the matter in issue.'

"The matter in issue in the main case below (Case No. 1099-V) is whether or not petitioner Halili is guilty of violating the Eight-Hour Labor Law (C.A. No. 444) in that he deducted from the working hours of the drivers and conductors, members of respondent union, the time spent for taking the buses from the car-barn and filling it with gas, oil or water; the interval for waiting for passengers; and the repair of the engine and other parts of the bus in case of breakdown. The trial court found him guilty of the charge and held him '*liable categorically* for the compensable hours and overtime pay from October 1, 1956 up to the present at the rate of ₱0.60 for drivers and ₱0.50 for conductors per hour. This finding of the trial court in its decision of August 7, 1961, as clarified in its order of August 17, 1961 and affirmed in all respects — except the 'x x x determination as to the union membership of the claimants referred to in the decision x x x' by the court *en banc* in its resolution of April 6, 1962, is a

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finding of fact which is final and conclusive and *not subject* to review, no appeal having been interposed therein.

"The decision, therefore, is a final adjudication on the main issue submitted to the court, and cannot be considered as interlocutory. x x x" (22 SCRA 789-790)

2. Considering that the referee's decision of October 20, 1975, was final in character and therefore appealable, the same became final and executory upon the expiration of the 15-day reglementary period with no appeal having been taken by respondent employer. Copy of the referee's award was received on November 5, 1975 and the 15-day period which commenced to run on November 6 ended on *November 20, 1975*. And although respondent employer could file a Petition for relief under the Rules of the Commission, that had to be accomplished within *30 days from notice of the award* and within *three months after rendition of the latter*. These *two periods must concur*; it is not one or the other.[12] The employer's Petition for relief from judgment filed on January 7, 1976, was *too late and could not validly confer jurisdiction on respondent Commission* to review the decision of the referee.

In a number of cases decided recently by this Court, We stressed with great emphasis, in response to arguments of the Solicitor General, that the Workmen's Compensation Commission lacked jurisdiction and authority to set aside an award of a referee which had become final and executory for failure to appeal the same and to grant a petition for relief from the judgment of the referee that was filed beyond the ultimate grace period fixed by the Rules of the Commission, and this basic rule of finality of judgment is applicable indiscriminately to one and all regardless of whether respondent employer *be a public or private employer*.[13]

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[12] *Roma vs. WCC, et al.*, 1977, 80 SCRA 170.

[13] *Soliven vs. WCC & Rep. of the Philippines; Malijan vs. WCC & Rep. of the Philippines*, 1977, 77 SCRA 518, and 79 SCRA 649, per Teehankee, *J.* See also: *Ranada vs. WCC & Rep. of the Philippines (Supreme Court)*, 1976, 73 SCRA 263, per Martin *J.*; *Dimagiba vs. Central Bank, et al.*, 1977,

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3. It would not be superfluous to state that the claim for disability compensation of herein petitioner is valid and meritorious under the well-settled principles of presumption of compensability,[14] non-controversion of his claim[15] and optional retirement caused by the ailment.[16]

IN VIEW OF THE FOREGOING, We set aside the decision of respondent Commission and reinstate the referee's award. We accordingly direct respondent employer, the Department of Justice, Republic of the Philippines:

(1) to pay petitioner Jose Y. Lim the sum of Six Thousand Pesos (₱6,000.00) as disability compensation *plus* One Thousand Five Hundred Eighty-Five Pesos (₱1,585.00) as reimbursement for medical expenses, or a total of Seven Thousand Five Hundred Eighty-Five Pesos (₱7,585.00);

(2) to pay counsel of petitioner the amount of Six Hundred Pesos (₱600.00) for this appeal; and

(3) to pay to the Workmen's Compensation Fund Sixty-One Pesos (₱61.00) as administrative fee.

SO ORDERED.

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

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80 SCRA 158. per Guerrero. *J.*: *Roma vs. WCC, et al.*, 1977, *supra*, per Muñoz Palma. *J.*: *Bilbao vs. Rep. of the Philippines, et al.*, 1977, 80 SCRA 177, per Teehankee. *J.*: *Bautista vs. WCC & Rep. of the Philippines*, 1977, 80 SCRA 313. per Muñoz Palma. *J.*: *Amado T. Cruz vs. WCC, Rep. of the Philippines*, L-42739. January 31. 1978. and four accompanying cases.

[14] *Roma vs. WCC, et al., supra; Bautista vs. WCC, et al.*, 80 SCRA 313: *Monsale vs. WCC, et al., ibid* at 448: *Mulingtapang vs. WCC, et al., ibid.* at 610.

[15] *Bautista vs. WCC, et al., supra; Mulingtapang vs. WCC, et al., supra.*

[16] *Roma vs. WCC, et al., supra.* citing: *Hernandez vs. WCC, et al.*, 14 SCRA 219: *Romero vs. WCC, et al.*, 77 SCRA 482: *Evangelista vs. WCC, et al.*, 77 SCRA 497.