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3. Provide petitioner with such services, appliances and supplies as the nature of his disability and the process of his recovery may require and that which will promote his early restoration to the maximum level of his physical capacity;

4. Pay petitioner's counsel the amount of SIX HUNDRED PESOS (₱600.00) as attorney's fees; and

5. Pay the sum of SIXTY-ONE PESOS (₱61.00) administrative fee.

SO ORDERED.

Teehankee, Makasiar, Santos, and *Fernandez, JJ.*, concur.

FIRST DIVISION

[G.R. No. L-43219. January 15, 1979]

JOSEFINA BORJA VDA. DE CLEMENTE, *petitioner*, *vs.* **WORKMEN'S COMPENSATION COMMISSION and CITY OF MANILA (Manila Metropolitan Police),** *respondents*.

SYLLABUS

1. **LABOR AND SOCIAL LEGISLATION; WORKMEN'S COMPENSATION; CLAIM FOR COMPENSATION; CLAIMANT WITH OPTION TO CHOOSE REMEDY TO PURSUE.** — Pursuant to Section 6 of the Workmen's Compensation Act the employee who suffers injury for which compensation is due by any other person besidés his employer has the option to either claim compensation from his employer under the provision of the Act or sue such other person for damages in accordance with law.

2. **ID.; ID.; ID.; SETTLEMENT OF CRIMINAL CASE AGAINST THIRD PARTIES DOES NOT AFFECT RECOVERY OF**

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COMPENSATION BENEFITS. — The rule is established that the right of the employee to recover compensation from his employer is not affected by the filing and subsequent amicable settlement of the criminal case against the third person causing the injury arising out of and in the course of employment. The reasons are that the filing of the criminal complaint is not the election of remedy contemplated under Section 6 of the Workmen's Compensation Act as would exempt the employer from the obligation to compensate his employee; and that the liability of the offender in a criminal case to indemnify the heirs of the deceased employee is wholly distinct from the obligation imposed by the Workmen's Compensation Act to the employer to compensate his injured employee and the latter is in no sense subsidiary to the former.

3. **ID.; ID.; ID.; ID.; JURISPRUDENCE; RULING IN THE *LA MALLORCA* CASE BOON TO LABOR.** — The ruling in *La Mallorca Taxi vs. WCC, et al.*, (30 SCRA 613) is a boon to labor and the Supreme Court is not minded to deny or detract to the wage-earners and laboring class such a gain already recognized. The amicable settlement of the criminal action against the erring driver entered into by petitioner's parent-in-law does not constitute a bar as to prevent the recovery of benefits under the Workmen's Compensation Act for the reason that such an amicable settlement may not be considered or deemed to be an election within the meaning of Section 6 of the Act.

4. **ID.; WORKMEN'S COMPENSATION ACT; INTERPRETATION; SOCIAL LEGISLATION LIBERALLY INTERPRETED.**— The ruling that an amicable settlement of the criminal case filed against a third person does not affect the right to recover compensation under the Workmen's Compensation Act, stresses and emphasizes the liberal construction and interpretation of the Workmen's Compensation Act in order to favor the laboring class and thus give to those who have less in life more in law, to paraphrase the immortal words of a great President.

APPEARANCES OF COUNSEL

Abelardo L. Lopez for petitioner.

Santiago F. Alidio, Jose A. Parelleo & Ramon S. Sulidom for respondent City of Manila.

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DECISION

GUERRERO, *J.*:

Petition for review on *certiorari*[1] of the decision of the Workmen's Compensation Commission which reversed the decision of the Hearing Officer in RO3-WC Case No. 12359.

The records show that Patrolman Ferdinand Clemente, a member of the Manila Metropolitan Police, died in the morning of November 9, 1974 as a result of the injuries suffered by him when the jeep he was driving in the discharge of his duties as patrolman was hit and bumped by a Toyota Sedan in Moriones St., Tondo, Manila. The Manila City Fiscal's Office filed the corresponding criminal action against the driver of the Toyota vehicle, but the case was settled amicably by petitioner's parents-in-law for the sum of ₱15,000.00.

On March 31, 1975, petitioner filed a claim for death benefits under the Workmen's Compensation Act against her husband's employer, the City of Manila. Subsequently, the parties entered into the following stipulation of facts:[2]

"1. That the claimant, Mrs. Josefina Borja Vda. de Clemente, is the legal wife of the deceased Patrolman Ferdinand Clemente, Exhibit "A" — Marriage Contract;

2. That out of their lawful wedlock, they begot one (1) child by the name of Maria Imelda Clemente, Exhibit "B" — Birth Certificate;

3. That the deceased, Patrolman Ferdinand Clemente, was a member of the Manila's Finest during his time, Exhibit "C" — Service Record;

4. That the deceased, Patrolman Ferdinand Clemente, died by virtue of a vehicular accident in the course of his employment on November 9, 1974, Exhibit "D" — Police Report;

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[1] Treated as special civil action in the resolution of June 30, 1976.

[2] WCC Records, p. 104.

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5. That on November 9, 1974, the deceased died due to the vehicular accident, Exhibit "F" — Death Certificate; and

6. That the claimant herein, Mrs. Josefina Clemente, and her daughter, Maria Imelda Clemente, were fully dependent for support from the deceased during his lifetime, Exhibit "G" — Affidavit of Dependency."

The following facts were elicited by counsel for the respondent City of Manila from the petitioner:[3]

"1. That the widow-claimant did not file any claim for death compensation with any other branch of the government, for example under the Police Act of 1966 known as the POLCOM;

2. That the claimant did not claim any amount from the MEDICARE as a consequence of the hospitalization of her husband;

3. That the accident which caused the death of her husband involved another private party because that alleged incident was a vehicular one and that a criminal case had been filed in connection with that incident against that private party;

4. That the criminal case was settled and it was the parents-in-law who entered into an amicable settlement and the insurance company of the car effected settlement payment in the total amount of ₱15,000.00;

5. That the ₱15,000.00 was issued in three checks as follow:

1. Mrs. Clemente - - - - - - - - - ₱8.000.00

2. Her in-laws - - - - - - - - - - ₱5,500.00

3. A Lawyer - - - - - - - - - - - - ₱1,500.00

and that another lawyer was likewise paid ₱1,500.00 by her mother-in-law."

Accordingly, the Hearing Officer rendered a decision[4] as follows:

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[3] *Ibid.*, at 103-104.

[4] *Id.*, at 101.

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"In view thereof and pursuant to the provisions of the Workmen's Compensation Act, as amended, the herein widow-claimant and her minor daughter who are wholly dependent upon the deceased for support, should be entitled to the following benefits:

1. Under Section 8 of the Act, as amended, to death compensation equivalent to FIFTY (50%) PERCENTUM of the average weekly wage of the deceased for a period of 208 weeks. FIFTY (50%) PERCENTUM of the average weekly wage of the deceased employee (his last salary was ₱7,920.00 per annum, Exhibit "C"-Service Record) which was ₱151.96 but, this should be correspondingly reduced to ₱50.00 pursuant to the provisions of Section 12 of the Act, equals ₱25.00 and for 208 weeks, they are entitled to receive the sum of ₱5,200.00; and

2. Under the same Section, to reimbursement of burial expenses in the sum of ₱200.00.

WHEREFORE, judgment is hereby rendered in the favor claimant and respondent ordered to pay:

1. To the claimant thru this Office, the total sum of FIVE THOUSAND FOUR HUNDRED PESOS (₱5,400.00) as death compensation and reimbursement of burial expenses; and

2. To this Office, the sum of FIFTY THREE PESOS (₱53.00) as administrative fee pursuant to the provisions of Sec. 55 of the Act, as amended. Bill No. 3-2030-76 is hereto attached.

x x x x x x x x x

On appeal by the respondent City of Manila to the Workmen's Compensation Commission, the latter reversed the decision of the Hearing Officer and absolved respondent City of Manila from any liability under the Workmen's Compensation Act, as amended.

The issue to be resolved in this case is whether or not the amicable settlement of Criminal Case No. 19202 by the parents-in-law of petitioner barred the latter from recovering benefits under the Workmen's Compensation Act.

Section 6 of the Workmen's Compensation Act provides that —

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"Sec. 6. Liability of third parties. — In case an employee suffers an injury for which compensation is due under this Act by any other person besides his employer, it shall be optional with such injured employee either to claim compensation from his employer, under this Act, or sue such other persons for damages, in accordance with law; and in case compensation is claimed and allowed in accordance with this Act, the employer who paid such compensation or was found liable to pay the sum, shall succeed the injured employee to the right of recovering from such person what he paid: Provided, that in case the employer recovers from such third person damages in excess of those paid or allowed under this Act, such excess shall be delivered to the injured employee or any other person entitled thereto, after deduction of the expenses of the employer and the costs of proceedings. The sum paid by the employer for compensation or the amount of compensation to which the employee or his dependents are entitled under the provisions of this Act, shall not be admissible as evidence in any damage suit or action."

The rule on this point has been established by Us in quite a number of cases. Thus, in the case of *La Mallorca (Operator of La Mallorca Taxi) vs. WCC and Balbino Zuñiga*,[5] the Court, in upholding the employee's right to recover compensation from his employer, ruled that the filing of a criminal complaint against the third person causing the injury arising out of and in the course of employment is not such an election as would suffice to exempt an employer from his liability under the Workmen's Compensation Act. The Court, speaking thru Senior Associate Justice Fernando, affirmed the decision of the Workmen's Compensation Commission, thus —

"It was not surprising at all then why respondent Workmen's Compensation Commission could not yield assent to such a plea. According to the appealed decision: 'The contention of respondent that when claimant filed the physical injury case against Jesus Pinto, with whom he had an accident, claimant had elected to claim against Jesus Pinto and the monetary settlement between them has the effect of releasing the respondent from liability, cannot be sustained. Nowhere in the above quoted section can we find or deduce that the filing of a criminal action arising out of the injury caused by a

[5] 30 SCRA 613.

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third person as well as the settlement of the same as an incident thereof would bar the recovery of compensation against the employer. It is our considered view that the settlement between Jesus Pinto and the claimant cannot be deemed an election within the meaning of Sec. 6. Thus in one case the Supreme Court ruled that the filing of a criminal action does not bar recovery of a workmen's compensation claim, we quote: "As to the alleged "amicable settlement," it consists of an affidavit wherein, for the sum of 150 pesos, Mamador's widow promised "to forgive Macunat for the wrong committed and not to bring him before the authorities for prosecution." Upon making such promise — petitioner argues — she elected one of the remedies, (against the third person) and is barred from the other remedy (against the employer). The contention may not be sustained, inasmuch as all the widow promised was to forego the offender's criminal prosecution. She did not promise to waive the civil action for damages.'

"In this appeal, petitioner, still unconvinced, would expect us to reverse respondent Commission precisely for obedience to and compliance with what we held. That is optimism carried to excess. It is far from warranted. *The matter has been fully considered by us, and we have reached the conclusion that the filing of a criminal complaint is not such an election as would suffice to exempt an employer from his liability. We adhere to it.*"[6] (Italics supplied).

In *Marinduque Iron Mines Agents, Inc. v. WCC*, 99 Phil. 480, 483 (1956), the Court, with Justice and Later Chief Justice Bengzon as *ponente*, ruled:

"It is the petitioner's contention that Criminal Case No. 1491 and its outcome constituted an election by the employee (or his heirs) to sue the third person, such election having the effect of releasing the employer. However, the Criminal Case No. 1491 was not a suit for damages against the third person, it being alleged, tradition that the heirs did not intervene therein and have not so far received the indemnity ordered by the court. *At any rate, we have already decided in Nava vs. Inchausti Co. that the indemnity granted the heirs in a criminal prosecution of the "other person" does not affect the liability of the employer to pay compensation.*" (italics supplied).

The doctrine relied upon in these cases of *La Mallorca* and *Marinduque Iron Mines, supra*, is in line with the earlier cases

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[6] *Id.*, at 616-617.

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decided by this Court in *Victoria Taller Viuda de Nava vs. Ynchausti Steamship Co.*[7] (decided on December 20, 1932) and *Martha Lumber Mill, Inc. vs. Lagradante, et al*,[8] (decided on June 27, 1956) wherein we held that the obligation of the employer to compensate is unaffected by the liability of the offender in the criminal case to indemnify the heirs of the deceased employee which is "wholly distinct from the obligation imposed by the Workmen's Compensation Act and the latter is in no sense subsidiary to the former."

We are not unmindful of the cases cited by the respondent *Commission of Alfonso Esguerra vs. Hon. Cecilia Muñoz Palma, et al.*[9] and *Maria Paz S. Alba, etc., et al. vs. Dr. Horacio, Bulaong, et al.*[10] as authorities in reversing the award of the Hearing Officer in favor of the petitioner. In the *Esguerra* case, the injured employee filed a claim for permanent partial loss of the use of his right arm with the Workmen's Compensation Commission and while these proceedings were pending, he initiated a case in the Court of First Instance to recover compensatory as well as moral and exemplary damages from the company physician and the clinic nurse and to hold the employer subsidiarily liable. The injured laborer was initially free to choose either to recover from the employer the fixed amounts set by the Compensation Law or else, to prosecute an ordinary civil action against the tortfeasor for higher damages. The Court concluded that "having staked his fortunes on a particular remedy, the injured employee is precluded from pursuing the alternate course, at least until the prior claim is rejected by the Compensation Commission."

In the *Alba* case, five employees of the respondent employer suffered injuries and one died when the tractor they were riding on collided with a Victory Liner bus and separate claims were

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[7] 57 Phil. 751.

[8] 99 Phil. 434.

[9] 104 Phil. 582.

[10] 101 Phil. 434 (1957).

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filed before the Workmen's Compensation Commission against the employer. The latter claimed that the claims had been extinguished by virtue of the money settlements which the employees had concluded with the Victory Liner, Inc. after each of them had executed a written release or waiver in favor of said Liner. The waiver, however, reserved the right to claim against the employer in accordance with and under (Workmen's Compensation Act. In holding that the employees were entitled to the award under the Workmen's Compensation Act, the Court said:

"There is no question that the Liner was a "third party" within the meaning of section 6. There is also no question that petitioners have not used the Liner for damages. Wherefore they are not deemed to have made the election specified in section 6. However, the plain intent of the law is that they shall not receive payment twice for the same injuries (from the third party and from the employer). Hence if without suing they received full damages from the third party, they should be deemed to have practically made the election under the law, and should be prevented from thereafter suing the employer. Full damages means, of course, what they would have demanded in a suit against the third party or what they would receive in a nation as complete settlement. Needless to say, where the injured employee is offered, by the third party, compensation which he deems insufficient, he may reject it and thereafter litigate with such third party, or choose instead to complain against his employer.

"Nevertheless there is nothing in the law to prevent him from accepting such insufficient compensation but expressly reserving at the same time his right to recover additional damages from his employer. x x x

"It is therefore our view that the moneys received from Victory Liner, Inc. did not necessarily have the effect of releasing Dr. Bulaong. Inasmuch as the five men were his employees, and they were injured by reason of and in the course of their employment, he must pay compensation to be fixed in accordance with law. Bearing in mind, however, the law's intention not to give double compensation, the amounts they have receive from the Victory Liner shall be deducted from the sums so determined."

It is needless to differentiate, much less reconcile, the earlier cases with the recent rulings of this Court on the basis of the manner or procedure of bringing the action against the third

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party (whether by criminal prosecution or civil action for damages) or as to who takes the initiative, option or choice in selecting said action (whether by the claimant personally or by his heirs). Substantially, the latest ruling in *La Mallorca* case is a boon to labor and We are not minded to deny or to detract to the wage earners and laboring class such a gain already recognized. Hence, for the case at bar, We reiterate the ruling enunciated in the said *La Mallorca* case and so hold that the amicable settlement entered into by petitioner's parents-in-law does not constitute a bar as to prevent the recovery of benefits under the Workmen's Compensation Act for the reason that such an amicable settlement may not be considered or deemed to be an election within the meaning of Section 6 of the Act.

By reiterating this ruling, this Court once more stresses and emphasizes the liberal construction and interpretation of the Workmen's Compensation Act in order to favor the laboring class and thus give to those who have less in life more in law, to paraphrase the immortal words of a great President.

WHEREFORE, IN VIEW OF THE FOREGOING, judgment is hereby rendered setting aside respondent Commission's decision and reinstating that of the Hearing Officer. The respondent City of Manila is hereby ordered:

1. To pay petitioner and her minor daughter the sum of Five Thousand Two Hundred Pesos (₱5,200.00) as compensation benefits;

2. To reimburse said claimants the sum of Two Hundred Pesos (₱200.00) for burial expenses;

3. To pay counsel for the petitioner the amount of Five Hundred Twenty Pesos (₱520.00) for and as attorney's fees; and

4. To pay to the successor of the Workmen's Compensation Commission the sum of Fifty Three Pesos (₱53.00) as administrative fee.

SO ORDERED.

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