Supreme Court E-Library

FIRST DIVISION

[G.R. No. L-32300. January 31, 1978]

PILLSBURY MINDANAO FLOUR MILLING COMPANY, INC., and DONALD MORAZA, *petitioners*, *vs.* **FELIX MURILLO and THE WORKMEN'S COMPENSATION COMMISSION,** *respondents*.

[G.R. No. L-42824. January 31, 1978]

DIONISIO R. SORIANO, *petitioner*, *vs.* **WORKMEN'S COMPENSATION COMMISSION and REPUBLIC OF THE PHILIPPINES (Bureau of Public Schools),** *respondents*.

[G.R. No. L-43211. January 31, 1978]

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

[G.R. No. L-43872. January 31, 1978]

AQUILINO R. MAICO, *petitioner*, *vs.* **REPUBLIC OF THE PHILIPPINES (Bureau of Posts),** *respondents*.

[G.R. No. L-44849. January 31, 1978]

PERPETUA F. YAP, *petitioner*, *vs.* **WORKMEN'S COMPENSATION COMMISSION and REPUBLIC OF THE PHILIPPINES (Bureau of Public Schools),** *respondents*.

Supreme Court E-Library

SYLLABUS

1. **LABOR AND SOCIAL LEGISLATION; WORKMEN'S COMPENSATION ACT; PRESUMPTION OF COMPENSABILITY.** — Disabling ailments or death supervening during the course of employment are presumed compensable.

2. **ID.; ID.; ID.; PRESUMPTION THAT ILLNESS AROSE OUT OF OR AGGRAVATES BY EMPLOYMENT.** — An employee's illness which supervened during his employment is presumed to have either arisen out of or at least aggravated by, the said employment.

3. **ID.; ID.; ID.; BURDEN OF PROOF SHIFTS TO THE EMPLOYER.** — With the legal presumption that illness supervening during employment either arose out of or was aggravated by said employment, the burden of proof shifts to the employer and the employee is relieved of the burden of showing causation.

4. **ID.; ID.; ID.; FAILURE OF EMPLOYER TO TIMELY CONTROVERT; EFFECT THEREOF.** — An employer who fails to seasonably controvert an employee's claim for compensation is deemed to have renounced or waived his right be interpose any defense and to be heard in relation thereto.

5. **ID.; ID.; ID.; EFFECT OF OPTIONAL RETIREMENT UNDER COMMONWEALTH ACT NO. 180 AS AMENDED BY REPUBLIC ACT NO. 1616 AND NO. 4968 IS BY REASON OF DISABILITY.** — The fact that an application for optional retirement at the age of 63 under Commonwealth No. 180 as amended by Republic Act No. 1616 and No. 4968, was duly approved by the Government Service Insurance System is a clear indication that at the time application was approved applicant was below 65 years of age and physically incapacitated to render efficient service.

APPEARANCES OF COUNSEL

Abelardo P. Cecilio for petitioners (L-32300).
Cornelio R. Besinga for petitioners (42824, 43211 & 44849).
Francisco M. Villamor for petitioner (43872).
Luis Buendia for respondent Felix Murillo.

Supreme Court E-Library

Acting Solicitor General Hugo E. Gutierrez Jr. and *Solicitor Leonardo I. Cruz* for respondents (42824).

Acting Solicitor General Hugo E. Gutierrez Jr., Assistant Solicitor General Alicia V. Sempio-Diy and Solicitor Edgardo L. Kilayco for respondents (43872).

Solicitor General Estelito P. Mendoza, Assistant Solicitor General Santiago M. Kapunan and *Solicitor Oswaldo D. Agcaoili* for respondents (43211).

DECISION

TEEHANKEE, *J.*:

The five workmen compensation cases at bar are jointly disposed of in this consolidated decision by virtue of established and controlling jurisprudence and principles that are decisive in the determination of the issues.

In L-32300, respondent commission upon review of the referee's award in favor of claimant-respondent Felix Murillo reaffirmed the same in substance (with modifications) and ordered petitioner-employer to pay ₱2,230.80 as disability compensation (for claimant's ailment of pulmonary emphysema and cor pulmonale, which caused his separation from work, brought about by repeated attacks of bronchial asthma contracted in the course of his employment as mechanic of petitioner, ₱615.00 as reimbursement for medical expenses, ₱284.58 as 10% attorney's fees and ₱34.00 for administrative fees. The commission found that petitioner failed to interpose a seasonable controversion and found that the ailments were contracted in the course of claimant's employment and were therefore by law presumed to be caused or aggravated by such employment.

In L-42824, respondent commission reversed the referee's award in favor of claimant-petitioner Dionisio R. Soriano granting him ₱6,000.00 as disability compensation (for claimant's ailment diagnosed as "rheumatoid arthritis, left and right knees and ankle joints, recurrent" as a result of which claimant stopped working and was optionally retired on November 30, 1973 after

Supreme Court E-Library

having served as public school teacher since October 18, 1945), ₱300.00 as 5% attorney's fees and ₱61.00-administrative fee. The referee found that claimant's disabling disease "was caused by the nature of his employment" but the commission reversed on the long-rejected theory that it was not shown that claimant's ailment "has a causal relation to the nature of his work."

In L-43211, (as in the preceding case L-42824) respondent commission reversed the referee's award in favor of claimant-petitioner Pedro Hortizuela granting him ₱5,030.44 as disability compensation (for bronchial asthma; bronchiectasis, caused or aggravated by the presence of a great quantity of unavoidable chalk dust, as a result of which claimant obtained optional retirement after 24 years of service as a classroom teacher), ₱251.52 as 5% attorney's fees and ₱51.00 administrative fee. The commission reversed on the basis of its bare belief that "the equivalent of benefits obtained in cases of compulsory retirement was the reason for claimant's [optional] retirement from service."

In L-43872, respondent commission reversed the referee's award granting claimant-petitioner Aquilino R. Maico ₱2,803.60 as reimbursement of medical expenses (duly supported by receipts) for his ailment of psoriasis and ₱29.00 - administrative fee. The commission reversed on the ground that there was no showing of disability although it is admitted that claimant went on sick leave during his period of confinement in the hospital. Claimant further asserts non-controversion of his claim.

In L-44849 (as in L-42824 and L-43211), respondent commission reversed the referee's award in favor of claimant-petitioner Perpetua F. Yap granting her disability compensation of ₱6,000.00 (for her ailment of "hypertensive vascular disease and diabetes mellitus, chronic" which caused her collapse and loss of consciousness while conducting classes on October 22, 1973 and she was brought to the Cebu Medical Center and advised to stop working, whereafter she retired through optional retirement on February 8, 1974 at age 63 after having served as public school teacher since October 20, 1947), 5% attorney's fees of ₱300.00 and ₱61.00 administrative fee. The commission

Supreme Court E-Library

reversed on the vague ground that "there is no showing that claimant was ever confined in a hospital because of her alleged hypertension."

The Court affirms the commission's modified affirmance of the award in favor of claimant in L-32300 and sets aside the commission's reversal of the referees' awards in the four other cases (L-42824, L-43211, L-43872 and L-44849) on the basis of established and controlling jurisprudence on the presumption of compensability of disabling ailments or death that supervene during the course of employment.

As the Court said in sustaining the claim of compensability of death from *bangungot* (which resulted in massive myocardial infarction) in *Talip vs. Workmen's Compensation Commission*,[1] "assuming that the deceased employee's illness which caused his death may be ruled out as an occupational disease or that the causal link between the nature of his employment and his ailment has been insufficiently shown, nevertheless it is to be *presumed* as mandated by Section 44 of the Workmen's Compensation Act that the employee's illness which *supervened* during his *employment*, either *arose out of*, or at least was *aggravated* by, said employment; and with this legal presumption, the *burden* of proof *shifts* to the *employer* and the employee is relieved of the burden to show causation. Respondent employer has failed to discharge the burden of disproving the claim by substantial evidence and the Referee's Award must therefore be maintained. Contrary to the commission's gratuitous conclusion that the death was not compensable (for alleged want of a preliminary link between the deceased's work and his death contrary to the legal presumption), its very finding that the deceased had no history of cardiac ailments strengthens the presumption that his fatal heart attack during his employment was work-connected or aggravated and therefore compensable."

In L-32300, the commission correctly rejected therein petitioner-employer's insistence on its right to a hearing thus:

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[1] 71 SCRA 218, 220 (1976); italics furnished.

Supreme Court E-Library

"for an employer to assert his right to a hearing in compensation claim, he should first establish his right to controvert the right to the compensation of the party concerned within 14 days from the date of disability or within 10 days from knowledge of the accident or sickness. Records reveal that respondents' Employer's Report of Accident or Sickness dated October 12, 1966 wherein they first made known their intention to controvert was filed only on October 17, 1966; and that the illness which disabled the claimant on August 28, 1966 and because of which he was laid off from work by the respondents on November 1, 1966 was known to Engineer Celedonio Atananio, maintenance superintendent of the respondents on August 29, 1966. Undoubtedly, the period from August 29, 1966 to the date of controversion on October 17, 1966 (when respondents' Employer's Report of Accident or Sickness was received in the Workmen's Compensation Unit, Regional Office No. XI, Cagayan de Oro City) is beyond the reglementary period of 10 or 14 days prescribed in the aforequoted Section 45 of the Act. That being so, and there being no evidence whatsoever that respondents filed a petition for reinstatement of their right to controvert, it becomes inevitable that they should be deemed to have renounced or waived their right to interpose any defenses under the Act and, consequently, to be heard in relation thereto." It has long been established since *Victorias Milling Co., Inc. vs. Compensation Commission*[2] in an unbroken line of cases that "having renounced by operation of law the right to contest the employee's right to compensation [by failure to file a timely controversion within the statutory period], the [employer] is deemed also to have waived the right to interpose said defenses, and hence, there is nothing it can legally prove in relation thereto."

In the three cases involving the three public school teachers who optionally retired because of their disabling ailments (L-42824, L-43211 and L-44849), suffice it to state once again with reference to the commission's contention that such optional retirement was but a voluntary retirement that did not arise

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[2] 101 Phil. 1208 (1957); notes in brackets supplied.

Supreme Court E-Library

from disability, that as stressed by the Court in *Gomez vs. Workmen's Compensation Commission*[3] which is fully applicable to the said teachers-claimants, *mutatis mutandis*, "Pursuant to *Memorandum Circular No. 133* issued by the Office of the President 'All optional applications for optional retirement under Commonwealth Act No. 180, as amended by Rep. Act No. 1616 and No. 4968, shall not be recommended for approval unless funds are available in the bureau or office concerned for the payment of applicant's retirement gratuity over and above the fund requirements of its programmed projects and activities and *provided* any of the following circumstances or conditions are present: (1) x x x; (2) The employee-applicant is below 65 years of age and is *physically incapacitated* to render *further efficient service*.' The fact that the application of petitioner for retirement at the age of 63 was duly approved by the Government Service Insurance System is a clear indication that at the time her application was approved she was below 65 years of age and she was physically incapacitated to render further efficient service."

In the case for reimbursement of medical expenses, (L-43872) the factual finding that claimant was disabled by his ailment and confined at two hospitals at Tacloban City is duly supported by substantial evidence and cannot properly be raised herein. The medical expenses incurred by claimant are not disputed by respondent Bureau and the award for reimbursement thereof was therefore properly made and should be reinstated.

ACCORDINGLY, judgment is rendered in L-32300 affirming the commission's decision in favor of respondent-claimant Felix Murillo.

In L-42824, L-43211, L-43872 and L-44849, judgment is rendered setting aside the commission's reversals of the referees' awards and reinstating the awards or decisions of the referees in favor of the claimants Dionisio Soriano, Pedro Hortizuela, Aquilino R. Maico and Perpetua F. Yap, respectively.

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[3] 75 SCRA 395, 399 (1977), per Martin, *J.*, italics supplied.

Supreme Court E-Library

In L-42824, L-43211 and L-44849, furthermore, the award of 5% attorneys' fees is increased to 10%, *i.e.* ₱600.00, ₱503.04 and ₱600.00, respectively as provided by the Workmen's Compensation Act and Rules, the cases having been elevated for review by this Court.

SO ORDERED.

Makasiar, Muñoz Palma, Fernandez, and *Guerrero, JJ.*, concur.

SECOND DIVISION

[G.R. No. L-32667. January 31, 1978]

PHILIPPINE NATIONAL BANK, *petitioner*, *vs.* **COURT OF INDUSTRIAL RELATIONS, GABRIEL V. MANANSALA and GILBERT P. LORENZO, in his official capacity as authorized Deputy Sheriff,** *respondents*.

SYLLABUS

1. **PUBLIC CORPORATIONS; PEOPLE'S HOMESITE AND HOUSING CORPORATION FUNDS NOT EXEMPT FROM GARNISHMENT.** — The premise that the funds of the People's Homesite and Housing Corporation could be spoken of as public in character may be accepted in the sense that the said corporation is a government-owned entity. However, it does not follow that they are exempt from garnishment because the People's Homesite and Housing Corporation, as a government-owned and controlled corporation, has a personality distinct and separate from that of the government. Accordingly, it may sue and be sued and may be subjected to court processes like any other corporation.