

Title:

Marcelino E. Lopez et al. v. The Honorable Court of Appeals and Primex Corporation

Facts:

1. **Initial Agreement and Execution:**

- On September 12, 1989, Primex Corporation (PRIMEX) and the Lopezes entered into a Deed of Conditional Sale (DCS) for a 14-hectare property in Antipolo City. The purchase price was PHP 39,208,120.00.

2. **Contractual Obligations:**

- PRIMEX complied with its monetary obligations and was set to pay an additional PHP 2,000,000.00 upon the presentation of a valid certificate of title by the Lopezes.

3. **Title Deficiency:**

- The Lopezes presented Transfer Certificate of Title (TCT) No. 196256, derived from a voided Original Certificate of Title (OCT) by a Supreme Court decision (G.R. No. 90380). PRIMEX refused to accept the title, hindering payment.

4. **Threats and Legal Actions:**

- The Lopezes threatened to sell the property due to PRIMEX's refusal to pay. PRIMEX filed a complaint for specific performance and injunction on April 29, 1991.
- The Lopezes countered with a motion to dismiss, later filing an answer with a counterclaim for rescission and damages.

5. **Subsequent Developments:**

- Despite delivering TCT No. 208538, with another acceptable title (TCT No. 216876) eventually being issued to PRIMEX, disputes over pending claims on the property persisted.
- PRIMEX was non-suited in a pre-trial hearing in 1995, leading to a trial court decision in August 1995, favoring the Lopezes.

6. **Court of Appeals and Subsequent Actions:**

- The Court of Appeals reversed the trial court's decision in April 1999, remanding it for trial de novo.
- After further litigation, the Regional Trial Court (RTC) rendered a judgment rescinding the sale and ordering restitution, which was appealed to the Court of Appeals.

7. **Court of Appeals Decision:**

- On January 23, 2007, the CA directed PRIMEX to pay the full balance with 6% annual legal

interest. The motion for reconsideration filed by Atty. Sergio Angeles was declared out of time due to dual representation issues with another counsel, Atty. Martin Pantaleon.

8. **Final Legal Actions:**

- The Lopezes' appeal included an opposition to a Compromise Agreement entered into by Atty. Angeles after the death of Marcelino Lopez (Dec 3, 2009), arguing it was void as Angeles' authority ceased upon Lopez's death.

Issues:

1. **Validity of the Compromise Agreement executed by Atty. Angeles after the death of Marcelino Lopez.**
2. **Whether the CA erred in declaring its January 23, 2007 decision as final and executory after the untimely filing of the Motion for Reconsideration.**

Court's Decision:

1. **Invalid Authority of Atty. Angeles:**

- The agency of Atty. Angeles ceased upon the death of Marcelino Lopez on December 3, 2009. Hence, his execution of the Compromise Agreement in February 2012 was void ab initio.

- The agent's authority expired upon the death of the principal, making any subsequent act, including the Compromise Agreement and the withdrawal of the petition, legally ineffective.

2. **Finality of the CA Decision:**

- The CA decision became final and executory on February 14, 2007, because Atty. Martin Pantaleon received the decision on January 30, 2007.

- Notice to one counsel is considered notice to both under Rule 13, Section 2 of the Rules of Court.

Doctrine:

- **Extinguishment of Agency:** An agency is extinguished upon the death of the principal. Acts performed thereafter by the agent are void unless falling under exceptions stated in Articles 1930 and 1931 of the Civil Code.

- **Timeliness of Filing:** Notice to one of multiple counsels constitutes notice to the litigant. Failure to act within the prescribed period renders decisions final and executory.

Class Notes:

- **Key Elements of Agency:**

- Consent, object (services), and cause (consideration).
- **Modes of Extinguishing Agency (Article 1919, Civil Code):**
- Death of the principal or agent.
- **Finality of Judgments:**
- Failure to file a motion for reconsideration or appeal within the statutory period leads to the finality of the judgment.
- **Service of Notice (Rule 13, Section 2, Rules of Court):**
- Service on one counsel of record is effective for all counsels.

Historical Background:

The case context revolves around the contractual and procedural intricacies involving real estate transactions, and the subsequent complex litigation over several decades. This case underscores the importance of adherence to procedural rules and the legal ramifications of a principal-agent relationship, especially regarding the termination of authority upon death, reflecting evolving legal interpretations and stringent adherence to statutory requirements in the Philippines Judicial System.