

**Title:** International Express Travel & Tour Services, Inc. vs. Court of Appeals, Henri Kahn, Philippine Football Federation

**Facts:**

1. **Initial Agreement and Transactions:**

- On June 30, 1989, International Express Travel and Tour Services, Inc. (hereinafter "Petitioner") through its managing director, offered its travel services to the Philippine Football Federation (hereinafter "Federation") through its president, Henri Kahn (hereinafter "Kahn"). The Federation accepted this offer.
- Petitioner provided airline tickets for various trips including the South East Asian Games in Kuala Lumpur, trips to the People's Republic of China, and Brisbane. The total cost amounted to P449,654.83.
- The Federation made partial payments in September 1989 totaling P176,467.50.

2. **Demands and Subsequent Payments:**

- On October 4, 1989, Petitioner sent a demand letter to the Federation requesting P265,894.33, the remaining balance.
- The Federation, through Project Gintong Alay, made a partial payment of P31,603.00 on October 30, 1989.
- Kahn issued a personal check for P50,000 on December 27, 1989 as another partial payment.

3. **Filing of Civil Case:**

- Despite repeated demands, no further payments were made. Consequently, Petitioner filed a civil suit in the Regional Trial Court (RTC) of Manila.
- Petitioner sued Kahn personally and in his capacity as the Federation's president and included the Federation as an alternative defendant, alleging Kahn had guaranteed the obligation.

4. **Trial Court Proceedings:**

- Kahn admitted the Federation's debt of P207,524.20 but contended in his answer that he was not liable personally as he acted as an agent of the distinct juridical entity.
- The Federation did not respond, resulting in a default judgment against it.
- The RTC ruled in favor of Petitioner, declaring Kahn personally liable as the Federation had no proven corporate existence.

5. **Appeal to the Court of Appeals:**

- Kahn appealed the RTC decision.
- The Court of Appeals reversed the RTC ruling, recognizing the Federation as a juridical entity, distinct from Kahn. Petitioner's motion for reconsideration asking to hold the Federation liable was denied due to failure to appeal the original RTC decision dismissing the case against the Federation.

6. **Petition to the Supreme Court:**

- Petitioner raised the issue to the Supreme Court, challenging the Court of Appeals decision.

**Issues:**

1. Whether the Philippine Football Federation (PFF) was considered a juridical entity.
2. If Henri Kahn could be personally held liable for the obligations incurred by the PFF.
3. If the Federation should be held liable for the unpaid obligations in the event that Kahn was not personally liable.

**Court's Decision:**

1. **Existence of Juridical Personality:**

- The Supreme Court evaluated the argument and found that neither Republic Act 3135 nor Presidential Decree 604 explicitly created the Philippine Football Federation as having a juridical personality. The laws provided for the recognition of national sports associations but required compliance with specific processes (e.g., accreditation).

2. **Personal Liability of Henri Kahn:**

- The Court held Kahn personally liable because the Federation did not have juridical existence. Consequently, Kahn as the person acting on behalf of the unincorporated association assumed personal liability for the contract.

3. **Liability of the Federation:**

- The Supreme Court noted that Petitioner did not appeal the RTC decision that dismissed the case against the Federation. Thus, the issue of the Federation's liability could not be revisited.

**Doctrine:**

- Unincorporated associations cannot independently enter into contracts or be held liable as a juridical entity.

- Individuals acting in managerial or representative capacities for unincorporated entities assume personal liability for actions performed in the purported capacity of the non-existent juridical person.
- Doctrine of corporation by estoppel applies typically when escaping liability; here, the petitioner was claiming liability.

**\*\*Class Notes:\*\***

- **\*\*Nature of Juridical Personality:\*\*** Juridical entities must comply with statutory criteria to acquire legal personality.
- **\*\*Agency and Representation:\*\*** Officers of unincorporated bodies bear personal liability for contractual obligations.
- **\*\*Appeal and Procedural Rules:\*\*** Failure to appeal a specific part of a decision precludes later challenging that aspect.
- **\*\*Legal Authority to Contract:\*\*** Juridical capacity is necessary to enforce contracts, implying statutory acknowledgment.

**\*\*Historical Background:\*\***

This case contextualizes the regulation of sports associations in the Philippines, reflecting on legislative controls and recognition required for such associations to operate with a distinct legal personality. It underscores the importance of formal organization and compliance with statutory requirements, pivotal in structuring operational protocols in sports governance.