

Title: Dizon, et al. v. Court of Appeals and Overland Express Lines, Inc.

Facts:

1. Alice A. Dizon allegedly received P300,000 from Overland Express Lines, Inc. on June 20, 1975, purported to be either as partial payment of a property's purchase price or back rentals.
2. There was confusion regarding Alice Dizon's authority to accept this payment on behalf of petitioners, given that she did not have a written power of attorney.
3. Petitioners Regina P. Dizon, Amparo D. Bartolome, Fidelina D. Balza, Ester Abad Dizon, Joseph Anthony Dizon, Raymund A. Dizon, Gerard A. Dizon, and Jose A. Dizon, Jr. were involved through Fidela Dizon, a co-owner of the property.
4. Initial proceedings began in the City Court (now Metropolitan Trial Court) of Quezon City, Branch III, with a judgment rendered on November 22, 1982.
5. The Intermediate Appellate Court (now Court of Appeals) affirmed the decision on September 26, 1984.
6. The Supreme Court, through a 1985 resolution, upheld the previous judgment.
7. Respondents petitioned for a reconsideration to the Court of Appeals which was denied, prompting petitions to the Supreme Court, where multiple motions for reconsideration were likewise denied.
8. A special situation arose with appeals to extend the lease contract and contention over the implied option to sell that was allegedly granted in the initial leasing arrangement.

Issues:

1. Whether there are justifications to suspend procedural rules and admit late motions.
2. Whether the P300,000 received by Alice Dizon was intended as partial payment for the purchase of the property.
3. Was Alice Dizon authorized to accept payments on behalf of petitioners?
4. Could accepting a partial payment result in estoppel against petitioners?
5. Was a written power of attorney necessary for Alice Dizon to act on behalf of Fidela Dizon?
6. Whether a perfected contract of sale existed.
7. Whether the specific performance sought by the private respondent had prescribed.

Court's Decision:

1. The Supreme Court found no strong or compelling reason to suspend the procedural rules since doing so would not serve justice or prevent a miscarriage.
2. There was no written proof of Alice Dizon's authority to bind the petitioners in a sale,

invalidating the argument that the P300,000 was a partial payment on a purchase.

3. Without a written power of attorney, Alice could not have properly represented Fidela Dizon, voiding any sale actions she undertook.

4. The Court emphasized that a perfected contract of sale for real property through an agent requires written authority, which was absent.

5. The lease's implied renewal did not include an option to purchase, and this aspect was not carried over beyond the original lease's termination.

Doctrine:

1. Authority for sale of real property through an agent must be in writing, as mandated by Article 1874 of the Civil Code.

2. The acceptance of payment does not bind the principal without written authority, and the lack of such does not create an estoppel in favor of a third party.

3. Implied renewals of leases do not carry non-germane terms, such as options to purchase.

Class Notes:

- Article 1874 of the Civil Code necessitates written authority for agents conducting real property sales.

- For a power of attorney to effect property transactions, specificity about sales is required.

- Implied lease renewals under Article 1670 of the New Civil Code maintain terms related to property enjoyment but not contingent special agreements.

Historical Background:

This case reflects common legal disputes regarding agents' authority in real estate transactions, emphasizing the necessity of adhering to statutory requirements for written mandates in such dealings. It illustrates the limitations of implied lease contracts and intricacies when lease agreements may contain purchase options, intersecting issues from past judgments and highlighting how evolving jurisprudence continues to shape property law and its enforcement in the Philippines.