

SUPREME COURT OF CALIFORNIA

Sunset Oil Co. v. Marshall Oil Co.

Sunset Oil Co. v. Marshall Oil Co., 16 Cal. 2d 651 (Cal. 1940) · Decided November 29, 1940

SUMMARY

The California Supreme Court considered whether a domestic corporation whose corporate powers had been suspended for nonpayment of a license tax could prosecute an appeal from an adverse judgment. The court held that a statutory reservation allowing the corporation to defend court actions included the right to give notice of, perfect, and prosecute an appeal, and it denied the motion to dismiss.

CASE DETAILS

COURT	Supreme Court of California
WRITING FOR THE COURT	Shenk, J.; Houser, J.; Traynor, J.; Edmonds, J.; Carter, J.; Spence, J., pro tem.; Gibson, C. J.
JURISDICTION	California
DECIDED	November 29, 1940
DISPOSITION	other
PROCEDURAL POSTURE	Marshall Oil Company appealed from a judgment in an action to quiet title to real property. Sunset Oil Company moved to dismiss the appeal, arguing that Marshall's corporate powers had been suspended for nonpayment of the corporate license tax and that the corporation therefore lacked power to prosecute an appeal.
STANDARD OF REVIEW	The court reviewed the legal effect of the statutory suspension of corporate powers on the corporation's ability to prosecute an appeal.
PRECEDENTIAL VALUE	Published California Supreme Court opinion; precedential.
PARTIES	Marshall Oil Co. v. Sunset Oil Co.

TOPICS

- appellate procedure
- corporate law
- statutory interpretation
- title disputes

PRACTICE AREAS

- appellate procedure
- corporate law
- real property

QUESTIONS PRESENTED

1. Whether a domestic corporation whose corporate powers were suspended for nonpayment of the corporate license tax retained the statutory power to prosecute an appeal from an adverse judgment.
2. Whether the statutory reservation of the power to defend in court any action brought against the corporation includes the power to give notice of, perfect, and prosecute an appeal.

HOLDINGS

1. A domestic corporation whose powers were suspended under section 11 of the Corporation License Act retained the right to defend an action brought against it, and that right included the right to prosecute an appeal from an adverse judgment.

KEY QUOTATIONS

“The contention is without merit.” (653)

“the right of defense includes the right to prosecute an appeal in the name of the corporation.” (653)

“Having that right, it likewise has the right to prosecute the appeal.” (655)

FACTUAL BACKGROUND

Marshall Oil Company was a domestic corporation whose charter had been forfeited on March 4, 1922, for nonpayment of its corporate license tax. The Corporation License Act suspended the corporate rights, privileges, and powers of delinquent corporations but expressly preserved the power to defend in court any action brought against the corporation. After a judgment was entered against Marshall in a quiet-title action, Marshall sought to appeal, and Sunset moved to dismiss the appeal because of the suspension.

PROCEDURAL HISTORY

The trial court entered judgment in a quiet-title action. Marshall Oil Company appealed. Sunset Oil Company moved in the Supreme Court of California to dismiss the appeal based on Marshall's prior charter forfeiture and suspension of corporate powers. The Supreme Court denied the motion.

DISPOSITION

other

CASES CITED

- Kaiser Land & Fruit Co. v. Curry, 155 Cal. 638, 103 P. 341
- Brandon v. Umpqua Lumber & Timber Co., 166 Cal. 322, 136 P. 62
- Rossi v. Caire, 174 Cal. 74, 161 P. 1161
- California National Supply Co. v. Flack, 183 Cal. 124, 190 P. 634
- Anthony v. Janssen, 183 Cal. 329, 191 P. 538
- Rossi v. Caire, 186 Cal. 544, 199 P. 1042

- Ransome-Crummey Co. v. Superior Court, 188 Cal. 393, 205 P. 446
- Van Landingham v. United Tuna Packers, 189 Cal. 353, 208 P. 973
- Southern Land Co. v. McKenna, 100 Cal. App. 152, 159, 280 P. 144
- Nelson v. Marsh, 100 Cal. App. 578, 280 P. 695
- The Alexandria Canal Co. v. Swann, 5 How. (46 U.S.) 83, 12 L. Ed. 60
- Boyle v. Lakeview Creamery Co., 9 Cal. 2d 16, 68 P. 2d 968

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