

Difficult Issues and Disputes in The Application of The Civil Agency System

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Abstract

This article focuses on the difficult and controversial issues in the civil agency system. First, it summarizes the complex cases and points of contention in the application of the civil agency system, including the intricate practical situations and legal definitional disputes. Next, it delves into the challenging issues of commercial agency, focusing on ambiguous authorization, re-agency, and apparent agency. Given the special nature and complexity of commercial activities, these agency relationships present many unique challenges. Finally, it explores the difficult issues in marital and family agency, involving major affairs determination, disputes over agency rights during spousal separation, and controversies regarding special property agency. Due to the influence of emotional and ethical factors in family relationships, related agency issues arise. The problems are complex and varied. Finally, strategies for addressing various agency issues are proposed, aiming to provide theoretical and practical references for improving the agency system and resolving disputes. For example, regarding the civil agency system, further refinement of laws and regulations can be achieved by clarifying standards for determining agency actions in special circumstances and principles for liability allocation. At the same time, enhancing case guidance in judicial practice can protect the rights of all parties and promote the healthy development of social economic relations and family relationships under the agency system.

Keywords

Civil agency system, commercial agency, marriage and family agency, difficult problems, solutions.

1. The Concept and Importance of The Civil Agency System

1.1. The concept of civil agency system

The system of civil agency is an indispensable part of modern civil legal relations. As a crucial means to realize the rights of civil subjects, its significance goes without saying. In today's society, where division of labor is highly developed and transaction activities are increasingly frequent, the agency system, with its unique legal design, enables civil subjects to complete their own affairs through others. This not only significantly enhances the efficiency of civil activities but also greatly broadens the paths and depth of participation in economic life.

Behind this system design, the civil law reflects the order of transaction and justice. The profound consideration of the balance between the interests of the parties also reflects the efforts and wisdom of the law to pursue substantive fairness in complex civil relations.

1.2. The importance of the civil agency system

In the practice of legal application, this system faces many complex problems and disputes, which is the core issue of this study, and its significance cannot be ignored.

First, the legal agency system can effectively expand the capacity of civil subjects. When minors or mentally ill persons cannot independently carry out certain civil acts due to their identity restrictions, through the intervention of agents, these subjects' civil rights can be realized, and then they can participate in necessary civil activities. Secondly, the civil agency system compensates for the shortcomings of the principal in terms of time, effort, and professional knowledge. When parties face complex trademark registration matters, they often lack the time or expertise to handle them. By hiring a professional agency, not only can these tasks be completed efficiently, but potential legal risks can also be minimized to the greatest extent. Analysis of a Typical Case: Guanghui Lighting, a subsidiary of General Electric Guanghui, a large enterprise group, was in the process of signing a long-term raw material supply contract with the supplier Fuyao Glass. During this period, Li Mou, the general manager of Guanghui Lighting, was temporarily transferred by the group headquarters to other important projects. Before the transfer, Li Mou orally informed Zhang Mou, the department head, to continue the negotiation with the supplier Fuyao Glass and sign the contract, but did not specify the specific scope of authority.

During the negotiation with Fuyao Glass, Zhang Mou not only made significant adjustments to the price terms (which were higher than the budget price set within the group), but also added some special delivery terms, such as ensuring the supply during holidays. Based on the trust in Zhang Mou's identity (as the department head of the subsidiary and knowing that he was entrusted by General Manager Li Mou), the supplier Fuyao Glass signed the contract with Zhang Mou.

When the group headquarters reviewed the contract, it believed that Zhang Mou had exceeded his agency authority and intended to refuse to recognize the validity of the contract. This case exposes a series of key issues in civil agency, such as the ambiguity of the scope of agency authority, the protection of the counterparty's trust in the agency act, and the determination of the validity of the contract. These issues are quite common in actual business activities and civil interactions.

2. Analysis of Difficult Problems in Commercial Agency

2.1. Recognition of implied authorization

2.1.1. The problem of fuzzy authorization boundary

In the complex scenarios of business operation, the phenomenon of fuzzy authorization is common. This phenomenon often occurs because the enterprise managers are busy or based on In cases where subordinates are trusted to take a simplified approach to delegation, such as through verbal communication or using broad language for work assignments. This situation is particularly prominent in the franchise operation of chain enterprises. The person in charge of the headquarters may only require the store manager of a franchise store to undertake daily operation affairs, but fails to clearly stipulate the scope of authority for matters such as the procurement of equipment involving large amounts of money or important promotional activities, thus laying a hidden danger for subsequent disputes over authority.

In the practice of judicial adjudication, the standards for determining the scope of agency authority in the context of ambiguous authorization are not unified. Some adjudicators tend to start from the principal's subjective intention and make a comprehensive judgment by combining elements such as the specific situation at the time of authorization and the transaction customs between the parties. Other adjudicators pay more attention to the objective behavior of the agent and the application of industry-wide common practices. Regarding the scope of authority of senior management personnel within an enterprise, some courts may determine that they have a certain degree of discretionary power when not clearly restricted and can make reasonable adjustments to the contract terms. However, some courts

also believe that major modifications to price or delivery terms obviously exceed the scope of agency authority in the general sense.

2.1.2. Disputes over the recognition of implied authorization

For companies, there are many seemingly implied authorizations in organizational structures and daily operations. For example, an employee who has long been responsible for business dealings with a specific client is generally assumed by other department employees and the client to have the authority to make company decisions on their behalf. However, the recognition of such implied authorizations lacks clear legal standards and is difficult to define uniformly across different corporate environments and specific matters[1] In judicial practice, how to strike a balance between protecting the rights and interests of principals and maintaining transaction efficiency is a highly controversial topic.

2.2. Disputes over the application of apparent agency

2.2.1. The standard of "good faith and no fault" for the counterparty

Context itself varies significantly. In commercial transactions, the counterparty's perception of agency authority is often influenced by multiple factors. If the transaction occurs between large enterprises, the counterparty typically infers agency authority based on the company's size, industry reputation, and the position level of the authorized representative. When collaborating with multinational corporations, senior executives such as vice presidents are generally considered to have broader authority. The agency authority. When the transaction involves small and medium-sized enterprises or emerging industries, the judgment of the counterparty may be more dependent on industry practices, transaction practices and specific needs in a particular business area.

There are also significant differences in judicial practices between regions. Different courts have varying standards for determining whether a party is "benevolent and without fault." Some courts tend to hold that as long as the party fulfills basic formal review obligations, such as verifying the identity documents of authorized representatives or checking the company's business license, they can be deemed benevolent and without fault. Other courts, however, require more substantial scrutiny beyond mere formal checks. Sexual verification, such as reviewing the company's internal authorization documents or confirming with the superior authority.

2.2.2. Consideration of the fault of the principal in apparent agency

In the determination of the principal's fault, there is a clear divergence between theoretical and practical perspectives. The issue of whether the principal's fault should be considered in the elements constituting apparent agency has sparked intense debate. Some scholars argue that the purpose of the apparent agency system is to protect transactional security; the appearance of agency authority and the relative party's good faith without fault are sufficient to determine legal consequences, regardless of whether the principal is at fault. Legal practitioners in practice, however, believe that if the principal has fulfilled their reasonable management obligations and does not. When there is a fault that creates the appearance of agency, it is unfair to require them to bear the responsibility.

2.3. Disputes over the application of re-agency

2.3.1. Dispute over the source of authorization for re-agency

(1) The authority of the original agent

In cases of re-agency, the basis for authorization of the original agent's actions is at the core of the dispute. Without explicit written authorization from the principal, any unauthorized re-agency actions by the original agent inevitably raise questions about legality and authority. [2] From the perspective of legal relationships, the source of authority for the original agent

directly determines the validity of their re-agency actions. If the principal has not explicitly granted re-agency authority The original agent can only claim the rationality of his behavior on the basis of necessity in certain circumstances.

Therefore, the legitimacy and scope of authority of the re-agent depend on the authorization basis of the original agent and the necessity and rationality of the behavior. The judgment of this problem needs to be combined with specific circumstances, from multiple dimensions such as legal principles, contract provisions and actual operation for comprehensive evaluation.

(2) Definition of emergency

In an emergency, how to define the rationality of the original agent's re-agency is a complex problem. For example, when the goods are transported by sea and encounter sudden natural disasters, the original agent may think that it is for the safety of the goods There is an urgent need to entrust local rescue and processing agencies (as agents) with the rescue and temporary custody of goods. However, there is no clear legal definition of what constitutes an "emergency", and different people may have different views based on different interests. In international freight forwarding, suppose a cargo ship is transporting the goods of a certain company, and the captain is responsible for safely transporting the goods to the destination. Suddenly, the ship encounters a strong typhoon at sea, and the captain's ship experiences mechanical failures. He himself does not have sufficient technical capabilities to repair it within a short time. At this time, there is another ship nearby, and the captain urgently contacts the crew of that ship to help repair the malfunction to avoid losses to the goods. In this situation, considering the limitations of the captain's own abilities, the urgent dangerous situation, and the need to protect the goods, it may be considered reasonable for the captain to conduct a sub-agency. However, if the captain contacts the crew of another ship to deal with the typhoon-related matters just because he doesn't want to take risks or is being lazy, and also pays a high reward to the sub-agent. In this case, although there is an emergency of sudden natural disasters, from the perspective of the captain's own abilities and objective conditions, his conduct of sub-agency may be considered unreasonable.

2.3.2. Disputes over liability in re-agency

In cases where the principal-agent relationship is problematic, the issue of liability allocation has sparked widespread debate. Take construction project agency as an example, where the original agent entrusted part of the material procurement to a secondary agent. When the secondary agent purchased substandard materials during the procurement process, it led to quality issues in the project The division of responsibility becomes complex. The principal argues that the original agent should bear primary responsibility for selecting and supervising the sub-agent, thus believing the original agent should be mainly responsible. The original agent, however, emphasizes that they entrusted the sub-agent based on trust and past performance, and has fulfilled basic due diligence, so the sub-agent should bear primary responsibility. The sub-agent may argue that their procurement actions were based on instructions from the original agent or industry practices, and therefore should not bear full responsibility. This series of disputes over liability highlights the delicate balance between trust and supervision in agency relationships, as well as the determination of responsibility in practice The complexity.

3. The Investigation of Difficult Problems in Marriage and Family Agency

3.1. Emphasize the dispute over authorization and ratification in family practice agency

3.1.1. Definition of major events

In marital and family relationships, there is a lack of clear criteria for defining which matters fall under major family affairs. For example, selling family property is generally considered a

major family affair, but whether the disposal of some high-value movable assets within the family also qualifies as such remains controversial. Moreover, in terms of family investments, such as large-scale stock investments or venture capital, it is difficult to uniformly define whether these activities constitute major family affairs. Different families may base their decisions on family finances. There are different views on factors such as production structure, the occupation of family members and investment experience.

3.1.2. Disputes over the requirements of authorization

There is intense debate over the requirements for authorizing significant family affairs. One view holds that there must be a clear written authorization to ensure that both spouses' major financial interests are protected. For example, when selling the only home in the family, there should be a signed written authorization from both spouses. However, another perspective argues that as long as there is sufficient evidence showing that the other party was aware and did not object, it can be considered an authorization. In family investment decisions, if one spouse mentions an investment plan at a family meeting and the other does not express disagreement. Against, it is disputed whether the authorization can be regarded as granted after one party has implemented the investment.

3.2. Disputes over the power of attorney during the separation of husband and wife

3.2.1. Agency behavior in the state of separation

During the period of separation between spouses, issues regarding agency authority become more complex and difficult to define. Whether a debt contract signed by one party in the name of the family constitutes an act of agency remains a focal point of contention. From the perspective of legal relationships, the marital relationship is still legally valid; however, with the onset of separation, the economic ties between the parties may have become more loosely connected and relatively independent. Some scholars argue that if the purpose of the debt is clearly to maintain the separation Basic living needs of family members during the period.

3.2.2. Protect good faith third parties

When determining the agency authority during a couple's separation, it is also necessary to balance and protect the rights of good-faith third parties. If the agency authority during the separation period is overly strictly limited, it may harm the interests of good-faith third parties. For example, if a creditor provides a loan to one party without knowing about the separation, and later this loan is deemed not to be an act of agency, the creditor's claim may not be protected; however, if the agency authority is too loosely defined, it could also harm the rights of the party who did not engage in the agency act. For instance, if one party maliciously incurs debt during the separation and transfers the debt to the other party family.

3.3. Disputes over special property agency between husband and wife

3.3.1. Disputes over agency of the personal property of one spouse

In the marriage relationship, the issue of one party's agency right over personal property has always been controversial. Taking pre-marriage property as an example, if the other party rents out the property without the explicit authorization of the owner, whether such behavior constitutes valid agency is not consistent between academia and practice.

In contrast, the claim of strict protection of individual property rights emphasizes that the core of property ownership lies in the right of disposition, and agency acts without the explicit consent of the owner should be deemed invalid. This position starts from the principle of private autonomy and holds that even In a marital relationship, one spouse's right to dispose of the other's personal property should not automatically expand due to their status; otherwise, it may erode the independence of personal property. This view emphasizes that while marriage

has ethical attributes, its impact on property rights should be clearly defined to ensure legal protection of individual property rights.[3]

3.3.2. Disputes over the agency of special rights and interests in the joint property of husband and wife

In the relationship of joint property between spouses, disputes over specific rights of agency have aroused extensive discussion. Taking intellectual property jointly owned by spouses as an example, works created by one party often involve copyright jointly owned by both parties. In cases involving the assignment of works When it comes to agency actions such as authority or transfer, defining the scope of agency and ensuring a balance of rights for both parties becomes particularly complex. [4] One party may claim independent agency rights over specific interests, while the other party might object to this. Such disagreements are especially prominent in the handling of marital property in fields like cultural and creative industries, urgently requiring in-depth research into relevant legal systems to clarify the legality of agency actions and their specific impact on the interests of both spouses.

4. Strategies for Solving Difficult Problems on Behalf of Agents

4.1. Improving relevant laws and regulations

In view of the problem of agency authority identification, legislation should further refine the vague authorization The criteria for recognizing implied authorization. In different types of civil activities, it is necessary to clarify which actions can be considered as implied authorization and establish basic principles for defining ambiguous authorization. Regarding apparent agency, the law should clearly define the elements of “good faith and no fault,” taking into account the transaction context and industry practices to formulate a unified standard for judgment. At the same time, it should specify how the fault of the principal is evaluated in apparent agency cases.

In the recognition of re-agency, it is necessary to refine the legal circumstances of the source of re-agency authorization, especially the specific definition criteria in emergency situations. The basic responsibilities between the principal, the original agent and the re-agent should be clarified Rules, and principles of liability in special circumstances.

4.2. Strengthening judicial unity

Strengthening judicial guidance and case studies is a crucial measure to unify adjudication standards. The highest judicial authorities should actively issue authoritative and guiding cases, playing a leading role in disputes related to agency systems. Through the guiding cases released by the highest judicial authorities, it clarifies the criteria for determining core elements such as the recognition of agency relationships, the definition of agency powers, and the rights and obligations between principals and third parties. This provides clear, specific, and operational reference models for courts across the country, thereby unifying the national landscape at a macro level The judicial standards of local courts in the disputes related to the agency system should be determined to avoid different judgments in the same case and maintain the authority and credibility of the judiciary.

5. Conclusion

After delving into the complex issues and controversies within the civil agency system, this article aims to offer a practice-oriented perspective, providing certain references and insights for legal practice and theoretical research. By analyzing specific cases in commercial agency and matrimonial family agency, it is evident that the civil agency system faces numerous challenges in its practical operation. These challenges not only pertain to the clarity of legal

norms but also concern the consistency and fairness of judicial practices. The proposed solutions in this paper aim to deal with these challenges through the refinement of legislation, the strengthening of judicial guidance and the improvement of judges' professional quality, so as to promote the further development of commercial agency system and family agency system.

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