Securities and Exchange Commission PHILIPPINES

BAGONG PILIPINAS

OFFICE OF THE GENERAL COUNSEL

14 July 2025

**SEC OGC Opinion No. 25-11**

**Re:** Effect of Merger

**SCANASIA OVERSEAS INC.**
8F Tower 1, Double Dragon
DD Meridian Park cor. Macapagal Ave. and EDSA Extension
Bay Area, Pasay City 1302

**Attention** : **Atty. Kenneth S. Ng**
**Ms. Kriszia Anne O. Molde**
**Ms. Clariz Joy D. Queja**

**Re** : **Request for opinion**

Dear Attorneys:

This refers to your letter dated 03 July 2025 which was received by this Office on 04 July 2025, requesting, on behalf of Scanasia Overseas, Inc. (SOI), for an opinion on the use of trade names by a surviving corporation.

In your letter, you disclosed the following:

a) SOI is a corporation "duly licensed and authorized to engage in the business of importing, distribution, wholesale and retail of all kinds of goods, commodities, merchandise and wares and to do brokerage commission, indenting, import, forwarding, and export business";
b) Special Container and Value-Added Services, Inc. (SCVASI) is a corporation "duly licensed and authorized to engage in the business of transporting any and all kinds of goods and cargoes functioning as non-vessel operating common carrier";
c) The board of directors of SOI and SCVASI had approved the merger of the two entities with SOI being the surviving corporation";
d) "'SCVASI' and '2Go Special Containers' are ***trademarks*** officially ***registered*** with the Intellectual Property Office [IPO] ***under the name 2Go Group Inc.***, the parent company of both SCVASI and SOI"; and
e) "To avoid confusion on the part of customers and suppliers, the merged company decided to use 'SCVASI' and '2Go Special Containers' as trade name."

Given the foregoing, you are now asking for an opinion on whether or not SOI, the surviving corporation, can use "SCVASI" and/or "2Go Special Containers" as its trade name/s upon the Commission's approval of the merger.

***Corporate name and trade name as property rights***

As early as the 1992 case of ***Philips Export B.V., et. al. vs. Court of Appeals, et. al.*** [1], the Supreme Court already held that "[a] corporation has an exclusive right to the use of its name, which may be protected by injunction upon a principle similar to that upon which persons are protected in the use of

[1] G.R. No. 96161, 21 February 1992 [Per J. Melencio-Herrera: Second Division]

trademarks and tradenames. Such principle proceeds upon the theory that it is a fraud on the corporation which has acquired a right to that name and perhaps carried on its business thereunder, that another should attempt to use the same name, or the same name with a slight variation in such a way as to induce persons to deal with it in the belief that they are dealing with the corporation which has given a reputation to the name."

Notwithstanding the foregoing, it is settled that a corporation may use a trade name or business name that is different from its corporate name. ***SEC-OGC Opinion No. 11-39***[2] is illustrative, *viz.*:

> A corporation may assume a name other than its legal (corporate) name and carry on business in such assumed (business or trade) name.
>
> xxx
>
> However, there are instances wherein you are mandated to use, issue and/or submit papers reflecting therein not just your business name but also your corporate name. An example is when you file official papers, such as Financial Statements and the like, with the Commission and other agencies (e.g., Bureau of Internal Revenue). Also, the Official Receipt (O.R.) you issue in the conduct of your business should reflect your corporate name, as it is to the corporate entity, under its corporate name, that a Tax Identification Number (TIN) is issued.
>
> Further, we emphasize that this does not preclude other regulatory agencies from formulating restrictions on the use of the business or trade name (e.g., whether or not to indicate the corporate name in specific papers). For existing restrictions, or regulations on the matter, please refer to the Department of Trade and Industry, the [IPO], Bureau of Internal Revenue, Bureau of Customs and other relevant agencies.

There is no doubt that corporate names and trade names are property rights. In ***Philippine Exports BV., et. al. vs. Court of Appeals, et. al.,***[3] the Court discussed as follows:

> As early as *Western Equipment and Supply Co. v. Reyes*, the Court declared that a corporation's ***right to use its corporate and trade name is a property right, a right in rem,*** which it may assert and protect against the world in the same manner as it may protect its tangible property, real or personal, against trespass or conversion. It is regarded, to a certain extent, as a property right and one which cannot be impaired or defeated by subsequent appropriation by another corporation in the same field.

***Merger and its effects***

In ***Bank of Commerce vs. Radio Philippines Network, Inc.***[4], the Court defined merger as follows:

> Merger is a re-organization of two or more corporations that results in their consolidating into a single corporation, which is one of the constituent corporations, one disappearing or dissolving and the other surviving. To put it another way, merger is the absorption of one or more corporations by another existing corporation, which retains its identity and takes over the rights, privileges, franchises, properties, claims, liabilities and obligations of the absorbed corporation(s). The absorbing corporation continues its existence while the life or lives of the other corporation(s) is or are terminated.

As to its effects, Section 79 of Republic Act (R.A.) No. 11232 or the Revised Corporation Code of the Philippines (RCCP) provides the following:

> *SEC. 79. Effects of Merger or Consolidation.* – The merger or consolidation shall have the following effects:
>
> (a) The constituent corporations shall become a single corporation which, in case of merger, shall be the surviving corporation designated in the plan of merger; and, in case of consolidation, shall be the consolidated corporation designated in the plan of consolidation;
> (b) The separate existence of the constituent corporations shall cease, except that of the surviving or the consolidated corporation;
> ***(c) The surviving or the consolidated corporation shall possess all the rights, privileges, immunities, and powers and shall be subject to all the duties and liabilities of a corporation organized under this Code;***
> ***(d) The surviving or the consolidated corporation shall possess all the rights, privileges, immunities and franchises of each constituent corporation; and all real or personal property, all receivables due on whatever account, including subscriptions to shares and other choses in action, and every other interest of, belonging to, or due to each constituent corporation, shall be deemed transferred to and vested in such surviving or consolidated corporation without further act or deed; and***
> (e) The surviving or consolidated corporation shall be responsible for all the liabilities and obligations of each constituent corporation as though such surviving or consolidated corporation had itself incurred such liabilities or obligations; and any pending claim, action or proceeding brought by or against any constituent corporation may be prosecuted by or against the surviving or consolidated corporation. The rights of creditors

---

[2] SEC-OGC Opinion No. 11-39 addressed to Emperador Distillers Inc. dated 21 September 2011.
[3] G.R. No. 96161, *supra* Note 1.
[4] G.R. No. 195615, 21 April 2014. [Per J. Abad: Third Division]

> or liens upon the property of such constituent corporations shall not be impaired by the merger or consolidation. (Emphasis supplied)

Indeed, in a merger of two existing corporations, one of the corporations survives and continues the business, while the other is dissolved, and all its rights, properties, and liabilities are acquired by the surviving corporation. Although there is a dissolution of the absorbed or merged corporations, there is no winding up of their affairs or liquidation of their assets because ***the surviving corporation automatically acquires all their rights, privileges, and powers, as well as their liabilities.***[5]

***Relationship among 2Go Group Inc., SOI, and SCVASI***

To reiterate, you categorically mentioned that "'SCVASI' and '2Go Special Containers' are ***trademarks*** officially ***registered*** with the [IPO] ***under the name 2Go Group Inc.***, the parent company of both SCVASI and SOI."

Thus, from your own representation, "SCVASI" and "2Go Special Containers" are not owned *per se* by SCVASI, the absorbed corporation, but by 2Go Group Inc., a separate juridical personality, which happens to be its parent company.

Nonetheless, it is possible that 2Go Group Inc., the registrant-owner[6] of such trademarks, permitted the absorbed corporation to use the same as the latter's trademark/s and/or trade name/s. Such permission to use is, in itself, a property right which may have been included as one of the rights transferred from the absorbed corporation to the surviving corporation by operation of law under Section 79 of the RCCP, unless otherwise stipulated by the parties.

As such, the surviving corporation, SOI, may use as its trade names 'SCVASI' and '2Go Special Containers' subject to any limitation imposed by the parent company on the right to use granted to the absorbed corporation, and subject to other rules, regulations, and rulings of the IPO.

It shall be understood that the foregoing opinion is rendered based solely on the facts and circumstances disclosed in the queries relevant solely to the particular issues raised therein and shall not be used in the nature of a standing rule binding on the Commission in other cases whether similar or dissimilar circumstances. If upon investigation, it will be disclosed that the facts relied upon are different, this opinion shall be considered as null and void.[7]

Yours most respectfully,

**ROMUALD C. PADILLA**
*General Counsel*

---

[5] *Commission of Internal Revenue (CIR) vs. Pilipinas Shell Petroleum Corporation*, G.R. No. 192398, 29 September 2014. [Per J. Villarama Jr.: Third Division] as cited in *CIR vs. La Tondeña Distillers, Inc*, G.R. No. 175188, 15 July 2015. [Per J. Del Castillo: Second Division]

[6] The use of the term "registration," without any further qualification, means that the ownership over the trademark belongs to the registrant under the doctrine laid down by the Supreme Court in *Manuel Zulueta vs. Cyma Greek Taverna Co.*, G.R. No. 205699, 23 January 2023. [Per J. Kho Jr.: Second Division]

[7] Section 7, SEC MC No. 15, Series of 2003, 16 December 2003.