

## ***A Rose By Any Other Name: Choosing a Business Name***

By Scott T. Johnston

*“What’s in a name? That which we call a rose by any other  
name would smell as sweet.”*

Romeo and Juliet (1595), Act II, ii

While many clients have invested much time and effort in the plans for the financing and development of their business enterprise, they have often overlooked a very basic and yet fundamental matter: *every business needs a business name*. With the distinct legal entity known as a corporation, one does have the option of simply using a “numbered” company name, for example, “8675309 B.C. Ltd.”, but the majority of entrepreneurs carrying on business wish to have a moniker. After all, clients, customers, suppliers, and creditors all like to know who they are dealing with and an important asset of any business is the goodwill generated by a recognizable and respected trade name and mark. Millions, perhaps billions, of dollars are expended by entities ranging from one-man mall kiosks to gargantuan multinational corporations for the very purpose of branding a good business name.

This article will specifically discuss name reservations for corporations in British Columbia with the Registrar of Companies of the Provincial Government. A name reservation is submitted as a name approval request to an examiner in order to reserve a corporate or business name for the enterprise. Regardless of whether your chosen business structure is that of an incorporated company or a form of partnership, approval is required from the Registrar of Companies. The name approval request allows you to apply for up to three choices in order of your preference. If your first choice of business name is approved, then the Registrar of Companies does not examine the remaining choices.

It is helpful to think of a business name as comprising of three separate elements: (a) a distinctive element; (b) a descriptive element; and (c) a corporate designation.

The first “distinctive” element is often the most challenging to come up with, in that, this is the part of the name that differentiates your business from others. An example of the distinctive element would be the word “Fawltly” in the corporate name “Fawltly Hotel Ltd.” The distinctive element ensures that customers are able to distinguish the services and wares of one business from another. When one considers the number of distinctive trade and business names with which we are inundated on a daily basis and the saturation of particular branding through advertising and other media, it is easy to see the importance of this particular element of the name. Just as celebrities no doubt ponder for countless hours on the beach in Cancun over baby names like “Blue Ivy”, “Moroccan”, or “Bear Blu”, so too should every entrepreneur consider the distinctive branding of their business name.

The “descriptive” element of a business name essentially describes the wares and services offered and the nature of the enterprise. For example, returning to the corporate name “Fawltly Hotel Ltd.”, the descriptive element is the word “Hotel”, which explains the type of business being carried on. The descriptive element may be very specific (as in the example of the word “Hotel”), or may be relatively general if your business is or will be involved in a wide array of industries. An appropriate general descriptive element might be “Enterprises”, “Holdings”, “Ventures”, “Investments”, “Management” and so on.

The last element of a business name is the “corporate designation”. This is the notice to the public that the entity is carrying on business as an incorporated company with limited liability (in the case of a corporation). An example of the corporate designation would be the word “Ltd.” in the corporate name “Fawlty Hotel Ltd.” This abbreviation is of the word “Limited”, which serves as notice that this operation is a limited liability corporation. Other abbreviated corporate designations include the words “Inc.” and “Corp.”, or alternatively, “Incorporated” or “Corporation”. The designation “Ltd.” has the more traditional British usage, while most American corporations and technology corporations opt for “Inc.”

In addition, the proposed business name cannot be misleading, nor can the business name create a likelihood of confusion with any existing business names in British Columbia. A helpful exercise is to scan through your local telephone directory (should you still use one) or to run your proposed business name through a few Internet search engines to look for potential conflicts.

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