



What's in a Corporate Name?

Choosing a name for your corporation is not always as simple as you might think. Not only do you have to meet basic legal requirements, there may be business, image and marketing considerations to take into account.

The Legal Options

By law, you can incorporate in one of two ways:

- **As a numbered company**, e.g., “123456 Ontario Inc.” or “7891011 Canada Ltd.” The provincial or federal government assigns the number to your corporation, followed by “Canada” or “Ontario”, as appropriate, and then by a legal designator such as “Inc.” or “Incorporated”, “Ltd.” or “Limited”, or “Corporation” or “Corp.” The only element you can choose is this legal designator.
- **With a name**, e.g., “Ajax Cleaners Limited”. Here you choose all elements of your name, subject to certain restrictions. For instance, you cannot use a name that is identical to that of another existing corporation. You also cannot choose a name that infringes on a registered trademark. Your name must be distinctive so your incorporated business will not be confused with someone else's business name.

Your decision to incorporate with a number or a name may be influenced by a number of factors. Some people see numbered companies as having a taint to them. They may be seen as less credible or less prestigious than a corporation with a name. If, however, your company is not going to deal with the public, this may not be a concern.

Conversely, if you intend to deal with the public, you may want to use a corporate name that conveys information about the nature of your business. “Ajax Cleaners Limited” is descriptive, and “Ajax Window Cleaners Ltd.” or “Ajax Dry Cleaners Ltd.” even more so.

Marketing Considerations

Be careful not to choose a descriptive name that restricts your business. For instance, “Dust's Home Improvements Ltd.” may send the message that your company only does small jobs, while a name like “Dust's Home Renovations and Construction Ltd.” gives an entirely different impression. This illustrates the marketing element in a corporate name. Before you choose one, you may want to talk to a marketing professional. Get his or her input on how the name is likely to resonate with your target market. You may also want input on how it will translate into logos, signs and marketing materials in general. It is never too early to think marketing.

Marketing and the web go hand-in-hand these days. Before you decide on a name, you may want to Google some of the variations you are thinking about and see what pops up. You may also want to see what domain names are available that are close to your chosen options. And while the web dominates more of our commercial life these days, it is still a good idea to check the phone book for businesses in your community with names similar or identical to yours. These are all things a marketing professional can assist you with; think of it as a modest up-front investment that could have a major impact on your business in the future.

The Trade Name Option

If you have difficulty getting the corporate name you want, you have the option of incorporating a name or numbered company and registering a trade name under which it can operate. Trade names are available through the province. There is little or no control over their registration. However, it is not advisable to blindly register a trade name for your business without getting professional advice on legal, marketing and other implications.

Choosing the appropriate corporate name should be an important element of your business plan. Even if a numbered company is all you need, advice from your lawyer and other professionals is critical. Involve them early in the process to maximize the benefits to you.

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