



Business names, what are the requirements?

Corporate Update

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Federally incorporated corporations, not-for-profit corporations and cooperatives must comply with certain naming requirements under the *Canada Business Corporations Act*, the *Canada Not-for-profit Corporations Act* and the *Canada Cooperatives Act*. In addition, each Canadian Province and Territory has similar naming requirements under the respective legislation governing business corporations, not-for-profit corporations and cooperatives.

A name must:

1. be distinctive;
2. not cause confusion with any existing corporate names, business names or trademarks;
3. contain a mandatory term such as Inc., Ltd. and so on, if required;
4. not contain any prohibited terms;
5. not suggest crown, governmental or institutional sponsorship or control; and
6. not be misdescriptive or misleading.

Each requirement is discussed in more detail below.

Requirement 1 - Be distinctive

Perhaps the most important naming requirement is that the name be distinctive. A properly distinctive name ensures that almost all other naming requirements are satisfied. A distinctive name is one that distinguishes the entity from any other business.

A name that simply describes the activities of, or the goods and services offered by a corporation (e.g. Construction Company Inc., or Clothing Store Ltd.) will not satisfy the requirement of distinctiveness, as the name describes the activities or goods and services of a number of businesses. However, a way to make the proposed name distinctive is to add a distinctive name or word such as Smith Construction Company Inc. or Barb's Clothing Store Ltd.

First names or family names, or both, may be included in a name in some circumstances. However, generally a corporate name that consists of an individual's name is not considered distinctive (without the inclusion of additional distinguishing words. For example, Jim Jacobs Inc. will not satisfy the requirement of distinctiveness, but Jim Jacobs Motors Inc. is more distinctive. A proposed corporate name may only contain an individual's name where consent of that individual or his/her heirs or representatives is given, and where that individual has or had an interest in the corporation.

A corporate name can include a geographic name, but a geographic name alone cannot be used as a corporate name. An example of a distinctive and acceptable corporate name that incorporates a geographic name is Ottawa Collision Repair Inc. However, Ottawa Inc. is not acceptable as it is not distinctive.

Requirement 2 - Not cause confusion

A name cannot be chosen if such name causes confusion with an existing corporate name, registered business name, or trademark. When the names of two distinct businesses are sufficiently similar such that a reasonable person could consider them to be the same or closely related to one another, those names are considered to be confusing.

As part of the incorporation process, a corporate name search should be conducted to avoid choosing a name that may be confusing.

The registering body may ask the registrant to provide more information as to why the proposed name will not be confusing. Differences that can be highlighted include the different nature of goods and services provided by two entities with similar names, different clientele of each business, or the different geographical area in which the name will be used.

In some cases, concerns about a proposed name leading to confusion can be resolved by obtaining a consent letter from the business who has already registered its corporate name, business name or trademark.

Requirement 3 - Contain mandatory terms

Mandatory terms that must be included in a registered name differ based on the type of entity:

- Typically when naming a business corporation, a legal element must be included at the end of the corporation's name. The legal element can be one of the following: Limited; Limitée; Incorporated; Incorporée; Société par actions de régime fédéral; Corporation; Ltd.; Ltée; Corporation, Inc., S.A.R.F., or Corp.
- When naming a not-for-profit corporation, one of the following words may be required: Association, Center, Centre, Fondation, Foundation, Institut, Institute or Society.
- When naming a cooperative, one of the following mandatory words must be included: Cooperative, Co-operative, United, Pool, Coop, Co-op, or Coopérative.

Requirement 4 - Not contain prohibited terms

A proposed name is prohibited if the name contains any of the following elements or terms:

- "Parliament Hill" or "Colline du Parlement";
- "Royal Canadian Mounted Police", "Gendarmerie royale du Canada", "RCMP" or "GRC";
- "cooperative", "coopérative", "co-op" or "pool", if the name implies a cooperative venture, unless the entity is a cooperative;
- "United Nations", "Nations Unies", "UN" or "ONU", if the name implies a relationship to the United Nations.

A proposed name is prohibited if it contains a word or phrase, or implies a business, that is obscene.

Requirement 5 - Not suggest crown, governmental or institutional sponsorship or control

Unless the written consent of the concerned party is obtained, a name is prohibited if it connotes that the entity:

- carries on business under royal, vice-regal or governmental patronage, approval or authority;
- is sponsored or controlled by, or is connected with, the Government of Canada, the government of a province, the government of a country other than Canada or a political subdivision or agency of any such government;
- is sponsored or controlled by, or is connected with, a university or an association of accountants, architects, engineers, lawyers, physicians or surgeons or another professional association recognized by the laws of Canada or a province;
- carries on the business of a bank, loan company, insurance company, trust company or another financial intermediary that is regulated by the laws of Canada; or
- carries on the business of a stock exchange that is regulated by the laws of a province.

Requirement 6 - Not be misdescriptive or misleading

A proposed name cannot be deceptively misdescriptive. A name is deceptively misdescriptive if it is likely to mislead the public, in any language, with respect to:

- the business, goods or services in association with which it is proposed to be used;
- the conditions under which the goods or services will be produced or supplied, or the persons to be employed in the production or supply of the goods or services; and
- the place of origin of the goods or services.

A name search under Innovation, Science and Economic Development Canada's NUANS system is recommended (and required in some provinces) prior to registration of any corporate or business name to ensure that 1. the name is available, and 2. that there are no substantially similar corporate or registered business names or trademarks so as to result in the proposed name causing confusion.

To ensure the proposed name is acceptable, it must be distinctive, not cause confusion, contain the appropriate mandatory terms, not contain any prohibited terms, not suggest crown, government or institutional sponsorship or control, and not be deceptively misdescriptive. As each provincial or territorial business corporations legislation contains its own unique requirements, care should be taken to ensure compliance with the relevant legislation when incorporating or registering a business name or extra-provincially registering a corporation.

This article provides only general information about legal issues and developments, and is not intended to provide specific legal advice. Please see our [disclaimer](#) for more details.

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