



## GUIDE TO CHOOSING AND REGISTERING A BUSINESS NAME

### What is a good business name?

Choosing a business name should not be taken lightly. As well as having legal ramifications a business can make or break a business.

This guide sheds light on choosing a business name and a domain name including how to register them.

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What is a good business name?

## Introduction

Your business name is often the first point of contact between you and your customers and it is crucial to choose the right one for your business. When naming a business you must think carefully about what you want to call it and make sure you comply with the strict rules and regulations that govern both the form of a business name and the use of certain words and phrases within it. These rules differ depending on the legal structure of your business and the business name you choose.

This factsheet sets out the basic rules governing business names and explains the process you must follow when choosing and registering a business name. It explains how to comply with the Companies Act 2006, includes useful hints and tips, and lists sources of further information.

## What makes a good business name?

There are legal requirements for choosing and registering a business name and you must be careful not to breach these rules.

A good business name should:

- Be easy to remember.
- Be unique to your business (at least in the location or sector you trade

in).

- Reflect your business' character.
- Be easy for customers to find in directories and listings.
- Include any relevant suffix (for example, limited companies must include the word 'Limited' at the end of their business name).

Business names should not:

- Be complicated.
- Be confusing or misleading.
- Use slang or jargon that will date quickly.
- Be obscure.
- Use illegal or offensive words.
- Conflict with a registered trade mark.
- Already be in use. You should check that your proposed business name does not conflict with other businesses in your area, registered trademarks or national organisations.
- Use restricted or prohibited words (unless proper authority has been obtained).

**Which words and phrases are restricted by law?**

As well as prohibiting offensive words in business names, the Companies Act lists certain words and phrases that are restricted because they may give a false impression of your business.

These include:

- The word Limited (this must not be used unless the business is properly incorporated and registered as a limited company).
- Words suggesting national or international pre-eminence (for example, British, Scottish, European or International).
- Words that suggest a business has a specific size or status (for example, Society or Group).
- Words suggesting pre-eminence or authoritative status in an area of business (for example, Institute or Board).
- Words suggesting a specific objective or function (for example, Registered or Co-operative).
- Words suggesting certain professions (such as architect, optician, chiropodist, vet or dentist).
- Words suggesting certain organisations (such as Olympic).
- Words suggesting a charity (such as Red Cross).
- Words suggesting a connection with Her Majesty's Government or a local authority (such as Police, Health, Royal, School or Council).
- Welsh translations of any of the above.

If any business trades under a name that contains sensitive words or expressions, the name will require the written approval of the Secretary of State and the business must submit an application to Companies House, in Cardiff for businesses in England and Wales, Edinburgh for businesses in Scotland or Belfast for businesses in Northern Ireland.

A business using a sensitive word or expression may also have to obtain the opinion of the relevant regulatory body, in order to clarify whether they object to the business using a particular sensitive word or phrase. Examples of these words are 'dentist', 'bank', 'apothecary' and 'health centre'. Go to

[www.companieshouse.gov.uk/about/gbhtml/gbf2.shtml#appa](http://www.companieshouse.gov.uk/about/gbhtml/gbf2.shtml#appa)

to view the full list of sensitive words and contact details of the regulatory bodies.

If a business with a name that includes a sensitive word or expression changes hands, responsibility falls to the new owner to obtain further approval to use the name.

### **The Companies Act 2006**

The Companies Act 2006 (the Act) sets out the requirements regarding the use of business names and the disclosure of requirements of certain details of ownership.

The purpose of the Act is to ensure that businesses cannot use names that mislead the public into believing that a business has a size or status that is not justified; to ensure that potential customers and suppliers are clear

which business they are dealing with; and to ensure that the details of the legal owner and address of the business are 'disclosed' in the appropriate manner.

The Act will apply to your business if you are:

- A sole trader using words in your business name that are not your normal surname (with or without initials). For example, if a person called James Brown is a furniture dealer trading as J Brown, he is not affected by the Act; but if he trades as J Brown Furniture, or JB's Furniture, then the Act does apply.
- A partnership that does not use all the names of the partners in the business name.
- A limited company trading under a name which is not its corporate name (for example, Bloggs Limited trading as Bloggs Burger Bar).

If the Act applies to your business, the details of the legal ownership and address of the business must be disclosed in two ways:

- The details must be shown on all business letters, orders, invoices, receipts and demands for debt.
- The details must be displayed at all premises where the business is carried out and where customers and suppliers are dealt with.

In both cases, the information must be clearly presented, legible and prominently displayed.

In addition, partnerships must include all the names of partners not included in the business name on all business stationery (unless there are more than 20 partners). Where there are more than 20 partners, the additional names need not be listed on the stationery; instead, details of the principal office, where a full list of partners' names may be inspected, must be included, together with a statement that the list of names can be inspected at that place.

### **What are the rules if you trade as a limited company?**

Limited companies must, when the company is first formed or when it changes its name, register their name with either:

- The New Companies Section, Companies House, Cardiff (for companies formed in England and Wales).
- The New Companies Section, Companies House, Edinburgh (for companies formed in Scotland).
- The New Companies Section, Companies House, Belfast (for companies formed in Northern Ireland).

Company names submitted for registration will be rejected if:

- The name does not end in the words Limited or Public Limited Company (or the Welsh equivalent) as appropriate (unless exempted by the Secretary of State for Trade and Industry).
- The name is the same as or similar to another name on the Companies Register.

The name includes the words Limited, Unlimited or Public

Limited Company anywhere other than at the end.

- The name is offensive.
- Use of the name constitutes a criminal offence (for example, if it contains a word whose use is restricted by law to authorised persons or organisations - see next section).

Companies House does not check a business name against the Intellectual Property Office's (IPO) Trade Mark Register, but recommends that you do so before submitting it. You can search the trade mark register online at the IPO website: <https://www.ipo.gov.uk/tmcase.htm>

Limited companies must comply with the disclosure requirements under the Companies Act 2006 if they trade under a business name different to the full name of the company. 'Boots plc', for example, simply trades as 'Boots'. Companies must also disclose their registered office address (which may be different from their trading address), registration number and place of registration.

A registered company must display its registered company name outside every place of business, in a conspicuous position and in easily legible letters.

### **Misleading the public, or 'passing off'**

'Passing off' is the term in civil law for misleading the public, even if unintentionally, into believing a business is actually another business. For example, selling motorcars under the name Roles Roice could be considered as 'passing off'.



If you trade as a limited company, you must register your company name with Companies House but this is no guarantee against accusations of passing off. Any party may object to your use of a name by registering a complaint at Companies House where it considers that your registration is too similar to an existing company name. If Companies House considers your business name to be misleading or unsuitable, it may direct you to abandon the name in favour of another. Likewise, if you discover someone is using a similar business name to your own, you should register your objection with Companies House as soon as possible.

An application can be made to the Company Name Tribunal at the IPO by a business or person with a goodwill or reputation associated with a particular name, where it alleges that that name or a similar name has been 'opportunistically registered' as a company name by a third party with a view to obtaining money from the complainant or to prevent the complainant from registering the name. See [Company Name Tribunal](#)

for further information.

Similar complaints against sole traders and partnerships are dealt with by the civil courts.

### **Choosing an Internet domain name**

A website and e-mail address is essential to the successful operation of most businesses and customers will expect to be able to contact you via e-mail and visit your business website. When choosing your business name, it is important that you also consider the Internet domain name that you will choose for your business.

Domain names are the addresses of websites on the Internet and are also an essential component of all e-mail addresses.

### **Hints and tips**

- When choosing a name for your business, keep it simple; short names are most easily remembered.

It is always wise to consult a solicitor before deciding on a business name. To avoid any problems, check your proposed name against business names in local telephone directories, trade journals, directories of professional bodies, the Trade Marks Register of the IPO, and the Company Names Index from Companies House.

- If you want to have a business website, you should also register your business name as a domain name. Even if you have no intention of setting up a website, you might want to stop competitors using your business name on the web. Consider all variants (such as .co.uk, .com, .org and .net) when registering your domain name.

## Small Business Resources

Add value to your brand by generating catch business and product names like Amazon, Google, Coca Cola, Yahoo, Blackberry and many more using the same business name generator used by top business and product naming companies: <http://www.businessnameidea.com>

Generate more leads, cash flow and profits for your business and pay only based on results. This web site connects small businesses with top traffic web sites like Google, Facebook, Youtube to generate constant flow of traffic and leads: <http://www.intelwebsolutions.com>

Information and tools for small business to help entrepreneurs develop and market their business and ideas: <http://www.2-small-business.com>