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How to Name Your Business

What's in a business name? Plenty. Not only must your name reflect your brand and be memorable, there are also a host of legal issues to consider. Here's how to choose a name that'll best suit your business.
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What's in a name? A lot, when it comes to small-business success. The right name can make your company the talk of the town; the wrong one can doom it to obscurity and failure. If you're smart, you'll put just as much effort into naming your business as you did into coming up with your idea, writing your business plan and selecting a market and location. Ideally, your name should convey the expertise, value and uniqueness of the product or service you've developed.

There's a lot of controversy over what makes a good business name. Some experts believe that the best names are abstract, a blank slate upon which to create an image. Others think that names should be informative, so customers know immediately what your business is. Some believe that coined names (names that come from made-up words) are more memorable than names that use real words. Others think most coined names are eminently forgettable. In reality, any type of name can be effective if it's backed by the appropriate marketing strategy.

Do It Yourself?

Given all the considerations that go into a good company name, shouldn't you consult an expert, especially if you're in a field in which your company name will be visible and may influence the success of your business? And isn't it easier to enlist the help of a naming professional?

Yes. Just as an accountant will do a better job with your taxes and an ad agency will do a better job with your ad campaign, a naming firm will be more adept at naming your firm than you will. Naming firms have elaborate systems for creating new names, and they know their way around the trademark laws. They have the expertise to advise you against bad name choices and explain why others are good. A name consultant will take this perplexing task off your hands--and do a fabulous job for you in the process.

The downside is cost. A professional naming firm may charge anywhere from a few thousand dollars to \$35,000 or more to develop a name. The benefit, however, is that spending this money now can save you money in the end. Professional namers may be able to find a better name--one that is so recognizable and memorable, it will cut down your costs in the long run. They have the expertise to help you avoid legal hassles with trademarks and registration--problems that can cost you plenty if you end up choosing a name that already belongs to someone else. And they are familiar with design elements, such as how a potential name might work on a sign or stationery.

If you can spare the money from your startup budget, professional help could be a solid investment. After all, the name you choose now will affect your marketing plans for the duration of your business. If you're like most small-business owners, though, the responsibility for thinking up a name will be all your own. The good news: By following the same basic steps professional namers use, you can come up with a meaningful moniker that works . . . without breaking the bank.

What Does It Mean?

Start by deciding what you want your name to communicate. To be most effective, your company name should reinforce the key elements of your business.

Gerald Lewis, whose consulting firm, CDI Designs, specializes in helping retail food businesses, uses retail as an example. "In retailing," Lewis explains, "the market is so segmented that [a name must] convey very quickly what the customer is going after. For example, if it's a warehouse store, it has to convey that impression. If it's an upscale store selling high-quality foods, it has to convey that impression. The name combined with the logo is very important in doing that." So the first

and most important step in choosing a name is deciding what your business is.

Should your name be meaningful? Most experts say yes. The more your name communicates to consumers, the less effort you must exert to explain it. Alan Siegel, chairman and CEO of Siegel & Gale, an international communications firm, believes name developers should give priority to real words or combinations of words over fabricated words. He explains that people prefer words they can relate to and understand. That's why professional namers universally condemn strings of numbers or initials as a bad choice. On the other hand, it is possible for a name to be too meaningful. Naming consultant S.B. Master cautions business owners need to beware of names that are too narrowly defined. Common pitfalls are geographic names or generic names. Take the name "San Pablo Disk Drives" as a hypothetical example. What if the company wants to expand beyond the city of San Pablo, California? What meaning will that name have for consumers in Chicago or Pittsburgh? And what if the company diversifies beyond disk drives into software or computer instruction manuals?

Specific names make sense if you intend to stay in a narrow niche forever. If you have any ambitions of growing or expanding, however, you should find a name that is broad enough to accommodate your growth. How can a name be both meaningful and broad? Master makes a distinction between descriptive names (like San Pablo Disk Drives) and suggestive names. Descriptive names tell something concrete about a business--what it does, where it's located and so on. Suggestive names are more abstract. They focus on what the business is about. Would you like to convey quality? Convenience? Novelty? These are the kinds of qualities that a suggestive name can express.

For example, Master came up with the name "Italiatour" to help promote package tours to Italy. Though it's not a real word, the name "Italiatour" is meaningful. Right away, you recognize what's being offered. But even better, the name "Italiatour" evokes the excitement of foreign travel. "It would have been a very different name if we had called it 'Italytour,'" says Master. "But we took a foreign word, 'Italia,' but one that was very familiar and emotional and exciting to English speakers, and combined it with the English word 'tour.' It's easy to say, it's unique, it's unimintimidating, but it still has an Italian flavor."

Before you start thinking up names for your new business, try to define the qualities that you want your business to be identified with. If you're starting a hearth-baked bread shop, for example, you might want a name that conveys freshness, warmth, and a homespun atmosphere. Immediately, you can see that names like "Kathy's Bread Shop" or "Arlington Breads" would communicate none of these qualities. But consider the name "Open Hearth Breads." The bread sounds homemade, hot, and just out of the oven. Moreover, if you diversified your product line, you could alter the name to "Open Hearth Bakery." This change would enable you to hold onto your suggestive name without totally mystifying your established clientele.

Begin brainstorming business names, looking in dictionaries, books and magazines to generate ideas. Get friends and relatives to help if you like; the more minds, the merrier. Think of as many workable names as you can during this creative phase. Professional naming firms start out with a raw base of 800 to 1,000 names and work from there. You probably don't have time to think of that many, but try to come up with at least 10 names that you feel good about. By the time you examine them from all angles, you'll eliminate at least half.

The trials you put your names through will vary depending on your concerns. Some considerations are fairly universal. For instance, your name should be easy to pronounce, especially if you plan to rely heavily on print ads or signs. If people can't pronounce your name, they will avoid saying it. It's that simple. And nothing could be more counterproductive to a young company than to strangle its potential for word-of-mouth advertising.

Other considerations depend on more individual factors. For instance, if you're thinking about marketing your business globally or if you're located in a multilingual area, you should make sure that your new name has no negative connotations in other languages. On another note, Master points out, if your primary means of advertising will be in the telephone directory, you might favor names that are closer to the beginning of the alphabet. Finally, make sure that your name is in no way embarrassing. Put on the mind of a child and tinker with the letters a little. If none of your doodlings make you snicker, it's probably OK.

Chuck Brymer, president of naming firm Interbrand U.S.A., advises name seekers to take a close look at their competition. "The major function of a name is to distinguish your business from others," Brymer observes. "You have to weigh who's out there already, what type of branding approaches they have taken, and how you can use a name to separate yourself."

Making Up a Name

At a time when almost every existing word in the language has been trademarked, the option of coining a name is becoming more popular. Perhaps the best coined names come from professional naming firms. Some examples are Acura, a division of Honda Motor Co. coined by NameLab, and Flixx, a name CDI coined for a chain of video rental stores.

Since the beginnings of NameLab, founder Ira Bachrach has been a particular champion of the coined name. He believes that properly formulated coined names can be even more meaningful than existing words. Take, for example, the name "Acura." Although it has no dictionary definition, it actually suggests precision engineering, just as the company intended. How can that be? Bachrach and his staff created the name "Acura" from "acu," a word segment that means "precise" in many languages. By working with meaningful word segments (what linguists call *morphemes*) like "acu," Bachrach claims to produce new words that are both meaningful and unique.

"One of the reasons a new company is formed is that it has new value; it has a new idea," Bachrach contends. "If you adopt a conventional word, it's hard to express the newness of your idea. But as long as it's comprehensible, a new word will express that newness." Bachrach also admits, however, that new words aren't always the best solution. A new word is complex and implies that the service or product you're offering is complex, which may not be what you want to say. Plus, naming beginners might find this type of coining beyond their capabilities.

An easier solution is to use new spellings of existing words. For instance, CDI's creation: "Flixx." "Flixx" draws upon the slang term "flicks," meaning movies. But the unusual spelling makes it interesting, while the double "X" at the end makes it visually appealing. Just as important, "Flixx" is more likely to be available for trademarking than "Flicks," a factor that's especially important to a chain operation interested in national expansion.

After you've narrowed the field to, say, four or five business names that are memorable, expressive and can be read by the average kindergartner, you are ready to do a trademark search.

Must every name be trademarked? No. Many small businesses don't register their business names. As long as your state government gives you the go-ahead, you may operate under an unregistered business name for as long as you like-- assuming, of course, that you aren't infringing on anyone else's trade name.

But what if you are? Imagine either of these two scenarios: You are a brand-new manufacturing business just about to ship your first orders. An obscure company in Ogunquit, Maine, considers your name an infringement on their trademark and engages you in a legal battle that bankrupts your company. Or, envision your business in five years. It's a thriving, growing concern, and you are contemplating expansion. But just as you are about to launch your franchise program, you learn that a small competitor in Modesto, California, has the same name, rendering your name unusable.

To illustrate the risk you run of treading on an existing trademark with your new name, consider this: When NameLab took on the task of renaming a chain of auto parts stores, they uncovered no fewer than 87,000 names already in existence for stores of this kind.

That's why even the smallest businesses should at least consider having their business names screened. You never know where your corner store is going to lead. If running a corner store is all a person is going to do, then, he doesn't need to do a trademark search. But that local business may become a big business someday if that person has any ambition.

Ensuring that your name is going to be federally registerable is important. Also make sure that the individual states that you want to do business in will let you do business under that name. Enlisting the help of a trademark attorney or at least a trademark search firm before you decide on a name is highly advisable. The extra money you spend now could save you countless hassles and expenses further down the road. Try to contain your excitement about any one name until it has cleared the trademark search. It can be very demoralizing to lose a name you've been fantasizing about.

Trademark Classes

There are many misconceptions about trademarks and service marks and the level of protection provided for them under the law. One of the first misconceptions is that a trademark is all-encompassing. In fact, trademarks and service marks are filed under a specific class or classes. (For a complete list of eligible classes, visit the "International Schedule of Classes of Goods and Services" at the USPTO website.) There are 45 classes to choose from when filing for a trademark or service mark. Companies can file under one class or multiple classes depending on the nature of their product or service.

For instance, if a company has a registered trademark under class 15, musical instruments, another company using that same name in the pursuit of doing business in the category of musical instruments would potentially cause confusion in the marketplace and infringe upon a registered trademark. However, if a company does business within a different class, say class 1, chemicals, the potential for confusion would be extremely unlikely.

Conducting Your Own Trademark Search

If you're going to search on your own, the Patent and Trademark Depository Libraries (PTDL) nationwide have directories of federally registered trademarks and an online database of registered marks and pending registration applications. You can also use product guides and other materials available in these libraries to search for conflicting marks that haven't yet been registered. The U.S. Patent and Trademark Office's (PTO) [website](#) lists PTDLs in your state.

The site also has a free database of pending and registered trademarks; these are usually entered in the PTO database one to two months after filing. You can also contact the PTO at (800) 786-9199 for general information about trademark registration or to ask about the status of specific trademark applications and registrations.

It's also a good idea to search the web and see if anyone is using the name without having registered it. Do this with more than one search engine for the most thorough results. Also, check with domain name registrars like [Network Solutions](#) to see what's available. This can help you find other businesses using your chosen name or similar names, and it can also help you narrow down your choices. If you can't have your top choice of a business name as a .com domain, you might want to consider alternative spellings, choices or top-level domains (i.e., ".net" or ".us").

If you're lucky, you'll end up with three to five business names that pass all your tests. How do you make your final decision?

Recall all your initial criteria. Which name best fits your objectives? Which name most accurately describes the company you have in mind? Which name do you like the best?

Each company arrives at a final decision in its own way. Some entrepreneurs go with their gut or use personal reasons for choosing one name over another. Others are more scientific. Some companies do consumer research or testing with focus groups to see how the names are perceived. Others might decide that their name is going to be most important seen on the back of a truck, so they have a graphic designer turn the various names into logos to see which works best as a design element.

Use any or all of these criteria. You can do it informally: Ask other people's opinions. Doodle an idea of what each name will look like on a sign or on your business stationery. Read each name aloud, paying special attention to the way it sounds if you foresee radio advertising or telemarketing in your future. Professional naming firms devote anywhere from six weeks to six months to the naming process. You probably won't have that much time, but plan to spend at least a few weeks on selecting a name. Once your decision is made, start building your enthusiasm for the new name immediately. Your name is your first step toward building a strong company identity, one that should last you as long as you're in business.

Filing a DBA

Now that you've decided upon a name, do you need to file a DBA? If you're structuring your company as a sole proprietorship or a partnership, a dba ("doing business as") or fictitious business name allows you to legally do business under your new business name (rather than your own name). You may be required by the county, city or state to register your fictitious name.

Procedures for doing this vary among states. In many states, all you have to do is go to the county offices and pay a registration fee to the county clerk. In other states, you also have to place a fictitious name notice in a local newspaper for a certain amount of time. The cost of filing a fictitious name notice ranges from \$10 to \$100. Your local bank may also require a fictitious name certificate to open a business account for you; if that's the case, they can tell you where to go to register. In most cases, the newspaper that prints your fictitious name ad will also file the necessary papers with the county.

In most states, corporations don't have to file fictitious business names unless the corporations do business under names other than their own. For example, using dbas allows your corporation to run several businesses without creating separate legal entities for each one. But if you've just got one business that's a corporation, incorporation documents have the same effect as fictitious name filings do for sole proprietorships and partnerships.

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