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Name Search & Selection Checklist

(Search Requirements Apply to Business Names, Tag Lines, and Product Names)

**Ownership of Intellectual Property: The Company Name**

Intellectual property is a key business asset, which adds value to the business. The “business name”, “product name” and “tag line”, and the brand identity established around them, are important items of intellectual property, that you must own the rights to use, when you start the business. If you start a business without doing a proper business name search & screening (in the relevant databases), you could be using a name that is owned by someone else. If owned by someone else, it does not add value to your business (even if you build brand around it on its shaky foundation); instead it can cause a risk of liability and cost to the business to defend any name challenges and then to change the name.

Before forming the business, confirm that the name you select is ***legally*** available for use, under common law / trademark law. Even if the name is available on you state’s Secretary of State website, a similar name with a slightly different spelling might be in use by someone who has priority rights under common law or trademark law. Or the exact name might be in use by someone in a different state where you intend to do business, or where you might eventually do business.

The business owner is obligated to determine who owns, and who has the legal rights to use, the business name, product name and tag line, before the business owner uses them. Without legal rights to use, the business risks potential lawsuits over name use in the future.

The “key words” or “root words” are important to screen for prior use, while the secondary words around the root word(s) are sometimes not enough to distinguish the name from a name already in use, if the root words are already used in the industry.

**The corporation or LLC cannot be formed until name selection is finalized and name is clear in the industry in which the business will be conducted.**

***Allow sufficient time to research names, and review similar names already in use by others in your industry, or similar industries. Allow time to rethink name selection, because first choice is rarely available***. The time-consumption and delay caused by thinking through multiple name choices, when your first choice is unavailable, is indeed frustrating. (Plan ahead on the corporate formation.)

However, thorough name search and selection ***before*** forming the business is immensely more productive than the alternative of changing the name after forming the business. Post-incorporation name change is costly, time-consuming, and inefficient, stalls business momentum and erases brand identity.

**Current Climate for Name Availability and Detection**

* Internet triggers national competition for limited number of names in same industry.
* Real businesses have (or will eventually build) a presence on the Internet, even if they only now have an informational page out there as a start. If they have a webpage for a real business and they have used the page and the business name “in commerce” then they have the right to use. Therefore:
  + You are competing nationally (even internationally), rather than locally, for names in your industry, and
  + Your business name is ***exposed***, nationally (and internationally) on the internet; therefore:
    - Other users of the name, or similar name, in your industry, will find you using the name, through Internet surveillance services, and
    - The first user of the name in the industry can sue you as a “name infringer”.
* Name overlaps frequently occur; almost every new business must make additional selections other than first choice.
* Find the overlaps before forming your business entity, avoid costly name change.
* The advice in this document, and each separate search, applies to:
  + Your company name,
  + Any short-cut company name
  + Any DBA or “assumed name”
  + Tag line used for the business, or
  + Any product name (each product name must be searched separately)

**Name Claim Rules – First to Use the Name Wins**

The ***“First to Use (in the same industry, or similar industry) Wins”,*** isthe general common law rule of trademark and name use. This rule applies whether or not you intend to trademark the business name.

* First to use the name “in commerce” (in a business) wins, over the 2nd user. The 1st user wins even if :
  + 1st user has not trademarked name,
  + 2nd user has trademarked the name,
  + 1st user has not formed a corporation or LLC,
  + 1st user has not filed the name as a DBA or assumed name, or has not otherwise filed it in a state’s records.

Even an unincorporated sole-proprietorship or “DBA” has 1st rights over your use of the name, if they have used the name “in commerce” before you have. Conduct a thorough search to find any 1st users. Even if you later trademark the name, the first user can come back and force you to stop using the name.

* Therefore, the two names cannot occur in the same industry.
* National scope for your industry (perhaps international)
* Local scope (even outside your industry), very close geographic location is relevant, if another business in same close local area, even in a different industry, could cause name confusion.
* ***“Likelihood of Confusion”*** is a test of name availability.
* As a 2nd user, you *may* be able to use the same name, or similar name, as long as your use will not cause “likelihood of confusion”.
* Apply the 8 trademark law factors required to analyze “likelihood of confusion”. I can refer you trademark lawyers to discuss.
* Perhaps issues arise with using the same name in separate industry for some names (McDonalds and Microsoft come to mind.)
* ***“Dilution” may be a good thing for use, but not for trademark plans:*** If name is diluted by many users, the likelihood of confusion is decreased: You may be able to use the name, but you will not be able to trademark it in future.
* ***Name Selection is one of the hardest, and most time-consuming, issues of starting a business.***Don’t be discouraged if your first choice or first few choices are taken, by someone else.
  + Have alternatives in mind.
  + Be prepared to relinquish your first choice, and even your second choice.
  + Sometimes takes weeks or months to think of that second or third name choice!
* ***Law Suit Potential:*** A company using your name (before or after you) can sue you demanding that you stop using the name. The other user could sue you regardless of whether that company has first rights to use the name, or not. (They could be correct, or incorrect, in filling the lawsuit.) The decision as to who has the rights to use the name is an issue to be determined in the trademark filings, or in a court case, using the 8 factors.

**Business Risk**

Avoid the business risk and cost of potentially impinging on someone else’s name:

* Name change in future, against your will. (Costly, time-consuming, and potentially devastating to branding of the business. Wastes business owner’s time and energy that should be focused on business: Can cause fatal delay in subsequent investor financings.)
* They will surely find you after you’ve spent money and time developing your business, your reputation and “brand identity” with clients & customers, created a website, marketing materials, or experienced publicity, or filed public registration statement!
* After starting the business is not a good time to find out that someone is using your name!

**Establishing Evidence of Use**

Establish evidence of use for your name “in commerce”, or look for evidence of use by others using the name “in commerce”, by taking the following actions, which also act as steps to protect your name. The ultimate step in name protection is filing a federal trademark application and having it granted. However, until then, taking as many of these steps as possible will work toward protecting your name:

* File corporation or LLC entity formation with state,
* File name with county as a d/b/a or “assumed name”, if no corporation or LLC formed,
* Trademark name at the state level (inexpensive),
* Trademark name at the federal level (more expensive),
* Create a website and use it to operate the business,
* Place business ads in publications, such as phone book, internet web page, with proof of dates of publication,
* Sign (and date) contracts with other business parties, proving use in business, and
* Print, and use, stationery and business cards, with proof of dates.

**Corporate Name Selection & Search Process**

* **Selection**:
  + Put on your creative hat on, and hold onto your hat, name selection is not easy in today’s electronically connected world. Most of the good names, especially in well-populated industries, are already taken.
  + Suggestions:
    - **Avoid “Descriptive Names”.** Toss out the old rule of thumb that promotes use of a “Descriptive” name, they key word/root word of which directly states what the business does. Chances are extremely high that someone in your industry has already used the Descriptive name, or a name similar enough to be a conflict. Other reasons to avoid Descriptive Name: Usually non-memorable, boring, (therefore not a good branding idea); usually runs into trademark infringements, because everyone else in the industry uses the same, or similar, name; or usually cannot trademark the name because the words are general language words.
    - A name can be Descriptive, but add elements that make it unique and catchy: Example: ***CareerBuilder (job site), Muscle Mechanic (massage) Red Lobster, FeedBurner.***
    - **Use “Suggestive”, “Arbitrary” or “Fanciful” Name.** Perhaps Use “Suggestive”, “Arbitrary”, or “Fanciful” name. Consider being less "descriptive", and more "suggestive", more “arbitrary”, or more "fanciful", and add a "branding" word to the descriptive words. Consider: An “Amazon-like” brand name (“arbitrary” word that is completely out of the element or realm of the industry (like Amazon for books), and applying it to your industry.
    - Brand your business by taking a word from another genre or subject area, totally unrelated to your industry, and create a “brand” in your industry. Examples:  “Amazon” previously meant the River and the Jungle, but now it means “Books/Music/Retail Goods”.  Apple was a fruit, now it’s a computer, and a record label.  Red Hat Software is another example; and ***Dog Pile*** search engine, ***Blue Meteor*** consulting,
    - Double meaning or innuendo, such as “***March First”*** consulting.
    - Brand the business by using geographic elements (such as rocks, mountains, rivers), or places (generic or proper names), physical objects, foods, animals, parts of body, possessions: ***Amazon Books, Blackberry (PDA), Apple Computers, Monster (job site), Survey Monkey, Dog Pile (search engine), FeedBurner, LiquidPoint (Options Trading Firm)***
    - Create a “Suggestive” word that alludes to the industry, uses a term of art from the industry, or perhaps alludes to the positive result of using your services or your goods, but is not directly Descriptive or spot on. ***“Federal Express”, “Triple Toe Skate Shop”,*** ***“Think or Swim”*** (Options Trading Firm). ***Groupon,*** “Group Coupon”
    - Create a “Fanciful” name (made up word) that combines words or elements of words into a new word Make up a word. It may, or may not, have relevance to the business. Use a combination of syllables from other words, or other unique creation. Examples: ***Orbitz (online travel site), Kleenex tissues, eBay (online auction), Google (search engine), Wikipedia (online encyclopedia), Motorola (electronics), Scubaquarium (indoor scuba diving facility); Zoomerang, Razorfish,* *Buzzmetricks, Intelliseek. Photovoltaics; ZyStor Therapeutics; Neoglyphics (web design); Ganymede, Efoora***
    - Use a name of a street, combined with a word from your industry: Unlimited choices perhaps? Or use a combination of two street names, like ***Black & Essington,*** but avoid an obvious common name like “Main Street Pharmacy”.
    - Combine two words that would normally be unrelated, that result in a catchy combination: **March First (consulting), Tap Root Pub, LiquidPoint (options brokerage firm)**
    - Think colors and objects: **Blue Meteor Design, Red Hat Software, Blue Martini, Green Chilies, Black Dog.**
    - Use words form other languages: ***Melati Home Furnishings, Appana Realty***
    - Use geographic terms or locations: ***Amazon, Eagle River, Pearl Design***
    - Use animal names, or derivations of animals: ***Razorfish, Dog Pile, Black Dog, Green Cardinal***
    - **Avoid** use of letters or acronyms as the business name, even your own initials, such as ABC, or JTM. Guarantee that they will not be available, they will cause confusion. Also 100% non-memorable.
    - Use of sir names is fine, sounding like a law firm, CPA firm, or ad agency: ***Smith & Jones, Black & Essington.***
* **Name Search.**  The “key words” or “root words” are the words that are the most important to screen for prior use, while the secondary words around the root words are either not relevant, and often do not add enough distinction to distinguish the name from a name already in use. If the root word or words are already used in the industry, be very careful or avoid altogether.
* Thoroughly search before forming your business entity. Goal to eliminate all possibilities of prior name use, or similar uses. Thorough search – look everywhere! ***Put your “surveillance” hat on, and look for the name as if you were someone looking to sue you over the name use. If you don’t, someone else will.***
  + ***Search & Screening techniques:***
  + Be aware that “key words” in the name are the most relevant to establish name conflict or clearance (not the secondary words or generic words). Therefore, search only the KEY words to determine if the Key words are used by someone else.
    - * Use of a generic word does not differentiate a name enough to allow you to use it, if already taken. For example “Microsoft Software” and “Microsoft Technologies” would be deemed the same name. i.e., you can’t use “Microsoft” in the technology industry.
      * Similarly, “Strong Fund”, “Strong Advisors”, “Strong Capital” and “Strong Equities” would all be deemed the same name, i.e., you can’t use “Strong” in the fund or financial industry.

* + Avoid the use of words that are used by, or sound like, the 800 pound gorillas like McDonalds, Apple, Microsoft, Excel, Palm, Target, Vanguard, Mobil, BP, and avoid them in ***any*** industry, as those big kahunas will try to stop you even if your business is different from theirs, and they may be able to.
  + On the Illinois Sec of State, and Delaware Sec of State, as well as other state websites, the search engines are not “smart search engines”, but they are “dumb search engines”. They can’t understand or find combinations of 2 or more words. Therefore, search all single key words in name, separately as individual components of your name. Reverse word combinations.
    - Instead of searching “Oak Technology”, first search “Oak” and then “Technology”, or
    - Instead of searching “Premier Communications”, first search Premier, the Communications
    - Instead of searching “Madison Travel”, search first Madison, then Travel.
  + Search name permutations. For choosing the business name “Men’s Clothes”, you must also search “Man” and “Men” and “Clothes” and “Clothing”.
    - * After tips form lawyer on how to search, do the initial searches yourself: Reviewing the results will alert you to other usages of the name, where other word combinations are used and in other types of businesses. Doing some of the “knock out” searches on your own will save you in added legal fees, if additional searches beyond initial search are required.
      * *Allow much time, especially for the Google searches, examine all hits. Find out what type of business is behind each hit. Determine if business type is relevant to name conflict.*
    - Search the root of the word, for “Tricky Pictures” search “trick”, for “Running Supplies” search “run” so you get “run” and “runner”; or use Boolean
    - Search synonyms, same meaning, different words, such as “Space” and “Area”, Including Latin, “Voice” and “Vox”. Though some leeway can be allowed with synonyms in some cases.
    - Search Homonyms “Pique”, “Peek”, “Peak”
    - Intentional misspelling a name does not solve the problem of a taken name, like “starz” for “stars”. If the name ***sounds*** the same, then it ***is*** the same, for common law name conflict purposes.
    - Use Boolean search method so you can find synonyms and reverse word orders, like “Car Gas” and “Gas for Cars”, would probably be deemed in conflict with each other.
    - If similar name, though not exactly the same, but similar business – don’t use the name.
    - Need to find out what is the business of each hit you find. You must either call them or look it up somehow. If there are a lot of hits, better off paying someone to do the research.
  + If you tire of all the research, spend the $560 or $905 for CCH or Thompson’s to do the research for you. Their search provides a list of names used in your industry, and others, and they also tell you what the businesses do, how long they have been doing it, where they are located, whether the name is trademarked.
* ***Search Sources:***
  + Check the State of Incorporation – Secretary of State. In Illinois, [www.sos.state.il.us](http://www.sos.state.il.us), under “Services to Business, check Corporations ***and*** LLCs. Separately search Not-for-Profit Corporations. (Possibly check LPs, depending on type of business and depending on whether the state aggregates the databases.)
    - IL SOS site and search tool is unsophisticated, “dumb”, and not Boolean like Google or USPTO. Use the search tool called “Key word”, but “Key word” only allows you to search one word at a time. Therefore, search each key word separately. Ditto with Delaware and other states.
    - Don’t search using the “Name” tool, as it only gives you names that START with the word, but it skips names that CONTAIN the word. The search feature therefore is very limited, so you must work around it.
    - Illinois Trademark Office, for names that have been trademarked in Illinois, even if they are not formed as corps or LLCs <http://www.cyberdriveillinois.com/departments/business_services/trademark.html>
    - US Patent & Trademark office, trademark search is a key search, [www.uspto.gov](http://www.uspto.gov).
    - The Madrid Express, international trademarks (US residents can be precluded from using names that have been filed in other countries under the Madrid Protocol) <http://www.wipo.int/portal/index.html.en>

<http://www.wipo.int/trademarks/en/>

<http://www.wipo.int/madrid/en/>

* + - SEC’s online EDGAR search includes public companies and any private company that has ever filed an SEC Form D <http://www.sec.gov/edgar/searchedgar/companysearch.html>
    - Trademark office of any state in which you will do business. State trademark offices are also important to search, and the name must be searched in every state trademark office where the name will be used, internet or bricks and mortar. The general public does not have access to the state trademark databases in many states (including Illinois), and can only be accessed by a trademark lawyer or someone who subscribes to a paid service. Trademark lawyer can do a “knock-out” search for about $200. CT Corp offers that service as well.
    - However, [www.Bizfilings.com](http://www.Bizfilings.com) offers trademark searches on the USPTO & all 50 states at no charge (but they are not done by a lawyer or a search expert.) Free to search, but $3 to get details on hit list results. The web address for the trademark search is:

<http://www.bizfilings.com/products/trademark.asp> I have not used this service and cannot vouch for the accuracy or thoroughness of the searches, especially if the name search is complicated or involves homonyms, synonyms, or anything other than exact spelling.

* + Check the Department of Revenue in State of Incorporation – catches use of Sole Proprietor names who are not required to file with the Secretary of State, and therefore that SOS Corporations search would not catch. Illinois Department of Revenue is (217) 785-3707. (Phone checks only, no internet checks.)
  + **Domain name search** [www.register.com](http://www.register.com), (Critical!) to find other businesses that may be using your selected name. Use of a domain name does not necessarily mean “Use” of a business name has been established, but it’s a pretty good bet if someone has secured the domain name, that they probably have formed a business by that name.
  + [www.google.com](http://www.Google.com) search on internet in general, and/or other search engines such as [www.yahoo.com](http://www.yahoo.com).
  + Delaware Check. No matter what state in which you are operating, check Delaware too <https://sos-res.state.de.us/tin/GINameSearch.jsp> , because many entities were formed in Delaware. Therefore, they may not show up in your home state search, even if they are doing business in your home state. A Delaware business could be the first to use your name, and using it nationally. If site is down:
    - Use <http://www.knowx.com/delaware/delaware-corporate-records.jsp>
    - Or call: (302) 739-3073 or (302) 739-4111, or
    - Use incorporation service that can check on line [www.corp-links.com](http://www.corp-links.com) (charges a fee).
    - Call and phone search the county where you want to do business, for any potential d/b/a filings.
  + Check Dun & Bradstreet <http://smallbusiness.dnb.com/company> and other business data bases, and search [www.dnb.com/us](http://www.dnb.com/us) to track reports on certain businesses.
  + Check with the Secretary of State in which the Corporate Office is, or will be, located, as opposed to just formed.
  + Check other state’s name availability now, if you may do business in that state in the future, or if you will do business over the Internet. Use incorporation service [www.corp-links.com](http://www.corp-links.com) (for a fee in each state), or use Thomson’s to search all states at once (see below).
  + Search [www.switchboard.com](http://www.switchboard.com) search for use in phone directory.
  + Call 411 and ask for your local area, your entire city and other states where you think a company by the same name could be located.
  + Search "infoUSA", formerly American Business Information, at [http://www.infousa.com/fs/business.htm?bas\_fssession={bas\_fssession}&bas\_vendor=190000&bas\_type=FADA&bas\_page=1&bas\_action=search](http://www.infousa.com/fs/business.htm?bas_fssession=%7bbas_fssession%7d&bas_vendor=190000&bas_type=FADA&bas_page=1&bas_action=search), to check for business names.
  + Check [www.knowx.com](http://www.knowx.com) business names, and [www.thomasregister.com](http://www.thomasregister.com), which track down companies that sell goods.
  + Check industry registers for matches or similar names in industry. In trading fund industry:
    - <http://www.advisorregistry.com/listall.asp?state=IL>;
    - <http://www.snl.com/links/investment_advisers_il.asp>
    - <http://directory.google.com/alpha/Top/Business/Investing/MoneyManagers/>
    - [www.marhedge.com](http://www.marhedge.com)

* ***Purchase a Professional Name Search,***  by Thompson’s, CCH or Trademark Lawyer
  + Even if your business does not have a website, your clients, as well as other users of the same name, can find you on the web in other sources and business publications. Other name users of your name can bring action against you if you use their name. Therefore, critical to perform a $1,100 nationwide name check “full search” of entity names (Corporate names, LLCs, LPs, NFPs, trade names, USPTO-filed trade marks, state trademarks, company names (unincorporated), domain names, secretaries of state, and some common law names, and some general publications:
    - CT-Corsearch (800) 872-6275;
    - <https://www.ctcorsearch.com/CtcorsearchApps/ctcorsearch/MasterFrame.aspx> <https://www.ctcorsearch.com/ctcorsearchapps/ctcorsearch/Products.aspx>
    - “Comprehensive Name Search” $560(3 day), Corporate Name Search is $700, Comprehensive and Corporate both $1,100, include DBAs $1,200
    - Thomson & Thomson’s: (800) 692-8833 “Comprehensive and Company Name Search” costs $1,100 (for 4 day turn around), similar pricing as CT for the combinations. [www.thomson-thomson.com](http://www.thomson-thomson.com) or
    - Government Services, Inc. Searches <http://www.trademarkinfo.com/>
  + Have a trademark lawyer review the search (I will give you 3 or 4 referrals); add $500 for legal fees for trademark lawyer search.
  + One of the most valuable $500 to $1,000 you will spend to start your business, compare with $10,000 and up for litigation, or $3,000 and up for a Cease and Desist letter.

**Actions to Protect an Available Name**

* Reserve the name
* Form the entity as soon as name is cleared.
* Reserve a domain name, and all similar / related domains; as many as you can afford, ***and*** put up a working website. The purchase of a domain name alone, does not protect your name, until you use that domain name “in commerce”, by at least getting a working website up and running.
* Be prepared to *buy* a domain name from someone else, if someone else already owns it.
* File “Intent to Use” with USPTO
* Consider trade-marking the name, especially if branding is important to your business concept, product or services. Hire an intellectual property attorney to file them. If you can’t use your name after you have established brand identity, then you don’t have a business.
  + Trademark in state
  + Trademark with federal USPTO
* **File Illinois BCA 2.10** for incorporation (or **Delaware Certificate of Incorporation** if Delaware) or **Illinois LLC 5.5, or Illinois LP 201, or file articles of formation in your home state.**
* **Qualify** to do Business **in Illinois**, (if non-Illinois corporation, LLC or LP), and in your home states and states where you will do business. File before doing business in Illinois, opening office in Illinois, placing assets in Illinois, or before taking investor checks from any state. The Illinois qualification filing fee is based on the net capital of the corporation.
* **County** **Recorder Filing** required in which your business is located.
* Illinois **REG-1 Business Taxpayer** registration with Illinois Department of Revenue filing. Required before hiring employees, or making sales from Illinois. File ***early*** if you will be selling goods subject to sales tax. Sales tax reports are due the 15th of the month following the month of sales of the goods.
* **Website Development.** Start sooner than you think. It takes longer, requires more time, attention, thought and revisions than you think. Informational websites are inexpensive and generally fast; however, any type of product or service website or e‑commerce transaction can be very expensive and take a long time to build.
* **Name Check** On Your Existing Corporation
  + If the corporation is already formed, do name check anyway.
  + May find name infringers, or that ***you are*** a name infringer.
  + May find, for example, a Delaware corporation operating in your home state.
    - If an out-of-state corporation is operating in your home state, it has the right to use the name before you do, even in your home state.
    - Consider name change and other options if your business name is being used by others.