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California Business Entity Names Regulations

Naming a new business is not an easy task in California. Today we will discuss the California Business Entity Names Regulations (California Code of Regulations Title 2, Division 7, Chapter 8.5 Business Entity Names) to help you better understand the rules.

Generally, the business entity name must contain proper business entity identifier and must use the English alphabet or Arabic numerals (0, 1, 2, 3) or symbols or a combination thereof. The followings are specific regulations for Corporation and LLC.

Corporate Names

1. The California Secretary of State shall not file a document or grant a name reservation that includes a proposed corporate name that is the same as or deceptively similar to an existing corporate name.
2. The California Secretary of State may file a document containing a proposed corporate name that is substantially similar as an existing corporate name only upon the consent by business entity possessing the existing corporate name.
3. The Secretary of State shall not file a document or grant a name reservation that sets forth a proposed corporate name that is likely to mislead the public.

Note:

1. **Same or Deceptively Similar Names:** a proposed name is the same as or deceptively similar to an existing name in the following circumstances:
 - (1) If a proposed name and the existing corporate name are identical in all respects.
 - (2) If the difference between the proposed name and existing name is the use of upper case letters, lower case letters, the use of superscript or subscript letters or numerals, the use of an ampersand in place of “and”, vice versa or the use of a possessive “s”, or a plural, or the use of different or added articles of speech (such as: “a,” “an,” “the”) or a conjunction or disjunction (such as: “and,” “&,” “or”).
 - (3) If the difference between the proposed name and existing name is the existence or absence of one or more business entity identifiers.

- (4) If the difference between the proposed name and existing name is the addition or omission of distinctive lettering or typeface, punctuation, symbols, or spaces.
 - (5) If the difference between the proposed name and existing name is a numerical number and the same number spelled with letters of the alphabet.
2. **Substantially Similar Names:** a proposed name is substantially similar to an existing name and shall require a consent in the following circumstances:

- (1) A proposed name may imply an affiliation with, or a subsidiary relationship to, a business entity possessing an existing name if the proposed name is the same or deceptively similar to the existing name except for:
 - (a) The addition or absence of a numerical expression or a compass direction;
 - (b) The addition of a geographic designation at the beginning or at the end of the name or immediately preceding a business entity identifier; or
 - (c) The addition or absence of the word “holding” or “holdings”.

For example, Johnson Products, Inc. is substantially the same as Johnson Products of California, Inc. requiring consent.

- (2) The proposed name may be considered substantially similar to the existing name and require consent when the only difference is the addition of an Internet suffix including, but not limited to “.com”, “.net” or “.org.” For example: Grandma’s Cookies.Com is substantially the same as Grandma’s Cookies, Inc., requiring consent.
3. **Names That Are Likely to Mislead the Public:** a proposed name is likely to mislead the public in the following circumstances:

- (1) If the proposed name creates a false implication of government affiliation.
- (2) If the proposed name creates a false implication that it is a professional corporation within the meaning of the Moscone-Knox Professional Corporation Act. For example, the use of words “PC” at the end of a proposed name by a corporation that is not a professional corporation is likely to mislead the public.
- (3) If the proposed name creates a false implication that it is a business entity formed pursuant to a different law other than that under which it is actually formed.
- (4) If the proposed name creates the false implication that the business entity's purpose is to be an insurer.
- (5) If the proposed name of a nonprofit mutual benefit corporation includes the words “Charitable Foundation” or “Foundation” at the end of the name or immediately preceding a business entity identifier.

Limited Liability Company Names

1. A proposed LLC name must be distinguishable in the records of the Secretary of State from that of an existing LLC name.
2. The Secretary of State shall not file a document or grant a name reservation that sets forth a proposed LLC name that is likely to mislead the public.

Note:

1. **Distinguishable in the Records of the Secretary of State:** A proposed name is not distinguishable in the records of the Secretary of State from an existing name if the names are the same or differ only in one or more of the following ways:
 - (1) If the difference between the proposed name and existing name is the existence or absence of business entity identifiers. For example, DREAM LLC and DREAM LIMITED LIABILITY would not be distinguishable.
 - (2) If the difference between the proposed name and existing name is the use of upper case letters or lower case letters or the use of superscript or subscript letters or numerals.
 - (3) If the difference between the proposed name and existing name is the addition or omission of distinctive lettering or typeface, punctuation or spaces. For examples: A B C LP, AB C LP, A.B.C. LLLP and A-B-C LLLP would not be distinguishable.
 - (4) A proposed name might be distinguishable from an existing name when the difference between the proposed name and existing name is the addition or omission of a space or spaces so that the proposed name creates a new word or words that have different meanings. For example, Got Ham LP is acceptable against Gotham, LP.

The conditions and examples used in the regulations are not exclusive, nor will these regulations be used to limit the Secretary of State's discretion in determining whether a proposed name is qualified. The California Secretary of State has the sole discretion to approve the name application.

[Reference]:

<https://www.sos.ca.gov/administration/regulations/current-regulations/business/business-entity-names>

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