



**EDILEX™**  
5 Day Seminar on Corporate Law  
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# Info-CRAC®

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THE HUMAN SIDE OF CORPORATE BUSINESS

## Name Reservation at the Provincial Level: Yes or No?

*This article is a summary of our more detailed response to a recent publicity distributed by our competitors. Incorrect on several points, it has given rise to a number of questions from our clients. For the complete version of our response, go to the "What's New" page of our web site ([www.crac.com](http://www.crac.com)). Thank you.*

**Short Answer:** Yes, but occasionally no.

There you are. And you thought lawyers couldn't give short answers!

What? That doesn't do it for you? I agree.

In fact, there is quite a bit more to it. Not exactly a subject you can jot down on a black board in two or three lines without overlooking some essential facts. To get the full story, see our web site. But for those of you who just "can't wait", here are the basic facts required to properly advise your clients.

### Name Search Report

Filing a search report with your articles of incorporation is a legal requirement (Sections 7(3) and 123.14 (2.1) Q.C.A.). However, there is practically no quality control of the search you will file. Only one condition must be met, that the search be generated from the CIDREQ database. It need not be very thorough.

### Is there such a thing as an "officially recognized" search report?

No. The Inspector General's Office does not "officially" recognize, endorse or recommend any search report. Furthermore, there is no requirement nor is there a procedure for having a report format recognized by the Inspector General's Office. Any statement to this effect is without value.

### Why should I order a more in depth search?

It is really a question of security. Getting a name is relatively easy. But "getting" is not the same as "keeping". A search that is "content poor" can overlook one or several potential conflicting names or trade-marks. This may result in costly litigation or a settlement (name change) that is counter-productive to the growth of the company. A quality search is the cheapest way to make sure the risks are limited.

**When risk is a consideration,  
the choice of obtaining a  
search report with or without  
a reservation is determined  
by one's comfort level.**

### Is a name reservation mandatory?

No. There is no legal requirement to reserve a name prior to filing articles of incorporation. Only a search report is required (Sections 9.2 and 123.14 (2.1) Q.C.A.).

### What are the advantages of securing a name reservation?

- *It can reduce the chances of losing your filing date.* This is important, especially with the current turn-around time of 5 to 8 working days. With a reserved name you are almost guaranteed that your corporate name (and articles of incorporation, if otherwise acceptable) will be approved upon filing. Without the reservation, it is only at the moment of filing your articles that the examiner at the Inspector General's Office will exercise his *a priori* right of control. Although a search house technician will generally spot potential problems, the government examiner has the last word.

## Name reservation . . . (cont'd)

- When you request a name reservation, it will be examined by experienced government name examiners, who are generally more consistent (and therefore more predictable) than examiners who review articles of incorporation. This can be particularly relevant with respect to the application of policies regarding the Charter of the French Language.
- By reserving a corporate name, you secure it for 90 days against any identical corporate name prior to the filing of your articles.
- The confirmation of reservation comes automatically with a government formatted search report. Although there is often redundancy with the report done by a search house, it can, nonetheless, serve to confirm the information already found.

### Are there disadvantages to requesting a name reservation?

Yes. The name reservation costs \$42.56 (taxes included). Also, there is a 24 hour turn-around prior to receiving the reservation confirmation. If ordered by priority service, the turn-around is faster (4 hours) but this service is more expensive (add. \$21.38).

### Recommendations

When risk is a consideration, the choice of obtaining a search report with or without a reservation is determined by one's comfort level. Is the government fee of \$42.56 worth the additional security it provides? Only the applicant can say for sure. If cost is the issue, and as long as the appropriate disclaimers are given, then yes, a search without reservation may be recommended. Otherwise, requesting a name reservation may be the right choice. One way or another, make sure you get the search coverage you really need.

We, at C.R.A.C., can assist you in determining which road to take.

For further information on this text please contact one of our search specialists or the undersigned.

Thank you.

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 800-361-5744

## Comparative Chart

Search WITH a reservation	Search WITHOUT a reservation
A complete search performed by a qualified C.R.A.C. technician. It provides an excellent summary of the names retrieved and a screening as to legal criteria. It also extends beyond the Quebec databases.	A complete search performed by a qualified C.R.A.C. technician. It provides an excellent summary of the names retrieved and a screening as to legal criteria. It also extends beyond the Quebec databases.
Pre-screening by government examiners.	—
90 day reservation against subsequent filing of an identical corporate name.	—
Name is examined by experienced government examiners, who are more consistent in rendering decisions.	—
Issuance of government search report that will confirm a portion of the search house report.	—
Turn-around	Turn-around
<ul style="list-style-type: none"> <li>– Preliminary search and comments: 2 hours</li> <li>– Issuance of Reservation: Regular service: 24 hours Priority service: 4 hours</li> </ul>	<ul style="list-style-type: none"> <li>– Preliminary search and comments: 2 hours</li> <li>– Express service also available: 30 mns</li> </ul>
Fees	Fees
<ul style="list-style-type: none"> <li>– Regular search: \$95.64 *</li> <li>– Complete search: \$105.20 *</li> </ul>	<ul style="list-style-type: none"> <li>– Regular search: \$59.14 *</li> <li>– Complete search: \$68.68 *</li> <li>– Add \$17 for an Express search</li> </ul>
(*) Prices do not include taxes.	

## A word of thought...

*“Those who have lost themselves in their passion,  
 have lost less than those who's passion has left them.”*

*Saint Augustin*

Mrs. Franca Sucapane, Attorney  
Supervisor, corporate department



## CRAC Conferences in Quebec City

### A positive Experience!

Three conferences were organized in Quebec City dealing with corporate law and trade-marks. They gave us the opportunity to share information with our clients of this region.

Several comments and suggestions were noted regarding the conference topics and content. We will be applying them in our future endeavours. We thank all participants and look forward to repeating the experience again in the future.

## Training Program on Corporate Law



Within the framework of its program of continued education in business law, Edilex Inc., is offering an intense 5 day program focusing on a broad range of legal aspects concerning corporate entities (in French).

### SPEAKERS:

Several attorneys will be sharing their expertise: Mr. Gilles Thibault (Edilex), Mr. Gilles Bertrand (Pouliot Mercure), Mr. Eric Gélinas (Ogilvy Renault), Mr. François Sylvestre (Sylvestre Boutin Brière) and many others.

**DATE :** From the 9th to the 14th of June, 2002

**LOCATION:** Law Faculty of the University of Sherbrooke

**COST :** \$2,750.00

### INFORMATIONS :

Ms. Anne-Karine Tremblay (aktremblay@edilex.com), (Ext. 241).  
Phone : 450-682-5645 / Montreal Line: 514-745-5410 or 1-877-745-5410.  
Internet : [www.edilex.com/Formation/sites.htm](http://www.edilex.com/Formation/sites.htm)

## INCOWEB™

### News

#### Winner of the Grand prize (January 31st, 2002)

We congratulate the winner of our Online Incorporation contest, "Playing is Winning". **Ms. Diane Parker** of the firm **Davies Ward Phillips & Vineberg** from Montreal, has won an all expense paid week-end at a Luxury Spa Resort. Congratulations!

### Tips & Tricks

#### Tip no. 2 Instant access to your NUANS Report

Creating a new incorporation that has a corporate name requires filing a NUANS search report. With Incoweb™, we take care of digitalizing your report (when ordered at CRAC). Your report is then linked to your Incoweb™ file.

Advantages:

1. This saves you from having to manage you Nuans files, either paper or electronically.
2. You can view your Nuans report or print it at any time of the day.

*Simple and efficient.*

For informations:  
Contact Ms. Anne Roy  
at 514-861-2799, extension 337.