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26 June 2018

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Dear Hadyn

### **TRADING NAME**

You have requested a brief explanation of the legal consequences of adoption of a trading name. In essence what is the difference between a legal name and a trading name.

**Legal name:** An entity might be incorporated under a specific statute. Examples include a company, an incorporated society, a limited partnership or a charitable trust. The legal name of the entity is the name under which it is incorporated. Similarly, the legal name of an individual is the full name of a person.

**Trading name:** Individuals and entities whether incorporated or not can adopt a trading name. For example it is common to see trades people adopting a trading name such as John Smith Plumbing, XYZ Electrical etc. The purpose of this is to provide information or add a description about the nature of the business and/or its goods or services. The trading name is commonly seen on the website, signage, letterhead and other advertising.

Other examples are seen in business where McDonalds Corporation trades as McDonalds and Fonterra Co-operative Group Limited trades as Fonterra. Examples in sport include New Zealand Rugby Union Incorporated which trades as New Zealand Rugby, the Hurricanes Investment Limited Partnership which trades as the Hurricanes and the Welnix Limited Partnership which trades as Wellington Phoenix.

**Trading name does not change the legal status:** Legal documents are still executed by the method required by the nature of the legal entity. In the case of NZIS this is as required by the Incorporated Societies Act.

**Trademarks:** A trade name may sometimes also be a trade mark. Registration as a trademark should be considered as this confers stronger legal rights than for an unregistered trademark. It is important to check that the proposed name does not infringe upon any existing trademarks.

Yours faithfully  
**GIBSON SHEAT**  
**Nigel Stirling**  
Partner

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A handwritten signature in black ink, appearing to be 'Nigel Stirling', written over a white background.