

Practice Advisory #17

Use of Reserved Titles in Business Names

DRAFT FOR REGISTRANT FEEDBACK

Practice Issue

Registrants may carry on their professional practices through various vehicles, including private corporations, partnerships and sole proprietorships. Accordingly, while clients may receive psychological services directly from registrants, they may receive such services pursuant to contractual or financial arrangements involving private corporations owned by registrants, partnerships between registrants or registrants practicing under business names.

This practice advisory clarifies the use of reserved titles in the business names of corporations, firms and sole proprietorships which are registered with the Registrar of Companies.

Relevant statutory provisions

Reserved titles are restricted to use by registrants pursuant to the *Health Professions Act*, R.S.B.C. 1996, ch. 183 and the *Psychologists Regulation*, B.C. Reg. 442/99. The College may remedy the improper use of a reserved title through court injunction pursuant to s. 52 of the *Health Professions Act*.

While registrants can use reserved titles, in no case may registrants make public statements, through a business name or otherwise, inconsistent with their professional obligations, including Part 10 of the *Code*, and especially sections 10.1 and 10.16:

10.1 Misleading information

A registrant must not include false or misleading information in public statements concerning psychological services they offer.

10.16 No false or deceptive statements

A registrant must not make public statements that are false, deceptive, misleading, or fraudulent, because of what they state, convey, or suggest, or because of what they omit, concerning their research, practice, or other work activities or that of persons or organizations with which they are affiliated. As examples, and without limiting this standard, a registrant must not make false or deceptive statements concerning

- (a) their training, experience, or competence,
- (b) their academic degrees and credentials,
- (c) their institutional or association affiliations,
- (d) their fees,
- (e) the scientific or clinical basis for, or results or degree of success of their psychological services, and
- (f) their publications or research findings.

The registration of corporate names is generally governed by Part 2, Division 2 of the *Business Corporations Act*, S.B.C. 2002, ch. 57.

N.B.: While Part 4 of the *Health Professions Act* provides for the possibility of health profession corporations relating to designated health professions, the *Psychologists Regulation*, B.C. Reg. 442/99 does not currently specify that Part 4 applies to the profession of psychology.

The registration of “firm” names, meaning general partnerships and sole proprietorships, is generally governed by Part 4 of the *Partnership Act*, R.S.B.C. 1996, ch. 348.

N.B.: A partnership carrying on the practice of a designated health profession under the *Health Professions Act* may not be registered as a limited liability partnership (or LLP). The *Health Professions Act* does not expressly authorize members of health professions governed by that Act to carry on practice through a limited liability partnership.

Advisory

A. Overview

Except where expressly provided or necessarily implied in a relevant enactment, the professional obligations of registrants are not affected by registrants carrying on practice as proprietorships using business names other than the registrant’s legal name, or through, for or on behalf of private corporations or partnerships, whether as employees, servants, contractors, agents or otherwise.

B. Corporations

A corporation generally may not use a reserved title contrary to section 3 of the *Psychologists Regulation*.

Where the Registrar of Companies requires the consent of the College to the registration of a business name which uses a reserved title, the College may consent to the use of a reserved title by a corporation, in its registered name, where the following conditions are met:

1. All of the registrants who hold voting shares of the corporation directly or indirectly (the “Responsible Registrants”) represent and undertake to the College that the nature, ownership, management and business of the corporation satisfy the following criteria:
 - a. The corporation is a company within the meaning of the British Columbia *Business Corporations Act* and is in good standing under that Act;
 - b. All voting shares of the corporation are legally and beneficially owned by
 - i. registrants of the College, or
 - ii. companies as defined in the *Business Corporations Act*, all the voting shares of which are legally and beneficially owned by registrants of the College;
 - c. All the directors of the corporation are registrants of the College;
 - d. The corporation only carries on business by providing health profession services to the public that may be performed by registrants of the College;
 - e. All the persons who will be providing the services on behalf of the corporation are registrants of the college or are under the direct supervision of a registrant of the college (collectively the “Conditions”);
2. The name of the corporation satisfies the following criteria:
 - a. the name is not a number name,
 - b. the name includes the surname of one or more Responsible Registrants, and

- c. the name does not use a reserved title in a manner contrary to the best interests of the public or to the maintenance of a high standard of the profession, including but not limited to where
 - the name would violate Part 10 of the *Code of Conduct* if used as a business name by a registrant;
 - the name states, asserts or may be reasonably interpreted as stating or asserting a fact that is false, inaccurate, unverifiable or misleading,
 - the name is likely to create in the mind of a client or patient an unjustified expectation of the results which can be achieved, or
 - the name compares the quality of services provided with those provided another professional;
3. The Responsible Registrants undertake to advise the College immediately if any of the Conditions are no longer met; and
4. The Responsible Registrants and the corporation undertake, consent and agree that the name of the corporation shall be changed to remove any reserved title in the event the College requests such a change by the corporation, or seeks an order to that effect from the Registrar of Companies under section 29(5) of the *Business Corporations Act*, for any reason including but not limited to the Conditions no longer being met.

Where the conditions underlying the College's consent are no longer met, the College may revoke its consent for a corporation to use a reserved title, and may require the corporation to change its name through a court injunction, or may request an order of name change from the Registrar of Companies under section 29(5) of the *Business Corporations Act*, S.B.C. 2002, ch. 57:

29 (5) If the registrar is informed by the proper officer of a self governing professional society, institute, college or association that a corporation, or an extraprovincial company, that was permitted to practise the profession has had that permission revoked by the society, institute, college or association, the registrar must, in writing, and giving reasons, order the corporation or extraprovincial company to change its name or assumed name to one that does not imply that the corporation or extraprovincial company is authorized to practise the profession.

A model undertaking, consent and agreement which may be executed and submitted by Responsible Registrants and a corporation seeking to register a business name containing a reserved title may be found [here](#).

C. General Partnerships

A general partnership is a form of business association in which its partners contract jointly. Unlike a corporation, a firm of partners is not a legal "person" distinct from the people making up the partnership.

A general partnership generally may not use a reserved title where use of a reserved title by any one of its partners would be contrary to section 3 of the *Psychologists Regulation*, e.g., where the partnership includes a non-registrant.

In no event may a registrant, carrying on business as a general partnership or otherwise, carry on using a business name manner inconsistent with Part 10 of the *Code of Conduct*.

Where the Registrar of Companies requires the consent of the College to the registration of a business name which uses a reserved title, the College may consent to the use of a reserved title by a firm, in its registered name, where the following conditions are met:

1. All of the registrants who are partners of the firm (the “Responsible Registrants”) represent and undertake to the College that the nature, ownership, management and business of the firm satisfy the following criteria:
 - a. The firm is a partnership within the meaning of the British Columbia *Partnership Act*;
 - b. All partners of the firm are
 - i. registrants of the College, or
 - ii. companies as defined in the *Business Corporations Act*, all the voting shares of which are legally and beneficially owned by registrants of the College;
 - c. The firm only carries on business by providing health profession services to the public that may be performed by registrants of the College;
 - d. All the persons who will be providing the services on behalf of the firm are registrants of the college or are under the direct supervision of a registrant of the college (collectively the “Conditions”);

2. The name of the firm satisfies the following criteria:
 - a. the name is not a number name,
 - b. the name includes the surname of one or more Responsible Registrants, and
 - c. the name does not use a reserved title in a manner contrary to the best interests of the public or to the maintenance of a high standard of the profession, including but not limited to where
 - the name violates Part 10 of the *Code of Conduct*,
 - the name states, asserts or may be reasonably interpreted as stating or asserting a fact that is false, inaccurate, unverifiable or misleading,
 - the name is likely to create in the mind of a client or patient an unjustified expectation of the results which can be achieved, or
 - the name compares the quality of services provided with those provided another professional;

3. The Responsible Registrants undertake to advise the College in the event any of the Conditions are no longer met; and

4. The Responsible Registrants undertake, consent and agree that the name of the firm shall be changed to remove any reserved title in the event the College requests such a change by the firm, for any reason including but not limited to the Conditions no longer being met.

Where the conditions underlying the College’s consent are no longer met, the College may revoke its consent for a firm to use a reserved title in its registered name.

A model undertaking, consent and agreement which may be executed and submitted by Responsible Registrants engaged in a general partnership seeking to register a business name containing a reserved title may be found [here](#).

D. Sole Proprietorships

In no event may a registrant carry on using a business name manner inconsistent with Part 10 of the *Code of Conduct*.

Where the Registrar of Companies requires the consent of the College to the registration of a business name which uses a reserved title, the College may consent to the use of a reserved title by a sole proprietorship, in its registered name, where the following conditions are met:

1. The registrant carrying on the proprietorship (the “Responsible Registrant”) represents and undertakes to the College that the nature, ownership, management and business of the proprietorship satisfy the following criteria:
 - a. The principal of the proprietorship is a registrant of the College;
 - b. The proprietorship only carries on business by providing health profession services to the public that may be performed by registrants of the College;
 - c. All the persons who will be providing the services on behalf of the proprietorship are registrants of the college or are under the direct supervision of a registrant of the college (collectively the “Conditions”);
2. The name of the proprietorship satisfies the following criteria:
 - a. the name is not a number name,
 - b. the name includes the surname of the Responsible Registrant, and
 - c. the name does not use a reserved title in a manner contrary to the best interests of the public or to the maintenance of a high standard of the profession, including but not limited to where
 - the name violates Part 10 of the *Code of Conduct*,
 - the name states, asserts or may be reasonably interpreted as stating or asserting a fact that is false, inaccurate, unverifiable or misleading,
 - the name is likely to create in the mind of a client or patient an unjustified expectation of the results which can be achieved, or
 - the name compares the quality of services provided with those provided another professional;
3. The Responsible Registrant undertakes to advise the College in the event any of the Conditions are no longer met; and
4. The Responsible Registrant undertakes, consents, and agrees that the name of the proprietorship shall be changed to remove any reserved title in the event the College requests such a change by the proprietorship, for any reason including but not limited to the Conditions no longer being met.

Where the conditions underlying the College’s consent are no longer met, the College may revoke its consent for a proprietorship to use a reserved title in its registered name.