Naming your baby after your parents.

As we've explained, there are two Mitzvot which regulate our relationship with our parents: 'yir'a' -respect- what we cannot do to our parents, and 'kabod', what we should do to honor them.
'Names' are a good example of the dynamics of these two Mitzvot.
on the one hand, there is a strict prohibition to call our parents by their name. We have to address them as 'Father', 'Mother'. The Sephardic Minhag was to address the parents in the third person, when language allows it (similar to the English: "Your honor', or "Your majesty" ", when addressing a judge or a King!).
According to the Ashkenazi tradition, this restriction includes 'to mention' one's parent's name, even when calling somebody else. For example; if my father's name is Yaakob and a friend of mine is called Yaakob, I shouldn't call my friend by his name in the presence of my father, because it will 'sound' disrespectful to mention my father's first name in his presence, even when addressing somebody else.
Naming one's children after the parents is considered one of the highest ways of paying honor (kabod) to the parents. It is an ancient tradition, very carefully kept in Sephardic communities.
The Ashkenazi tradition, however, is NOT to name one's children after one's parents, while the parents are alive. Why? Because if one names his son Yaakob, like his father, every time he will address his son by his name in the presence of his father, it will be considered disrespectful.
This rule explains the difference between Sepharadim and Ashkenazim in this very important
tradition.