As to the financial aspect of providing for thoroughly trained and experienced officers, it may be added that the Patent Office earns considerably more than it costs, though it was established to serve the public and not to obtain revenue. The average annual net cash profits for the past eight years is $\pounds 6,767$, and "a greater proportion of it (the Patent Office net profits) might be spent to advantage in placing the Office in a better position to deal with applications" (vide thirth-fourth Annual Report, for 1922).

CLASSIFICATION OF INVENTIONS.

The safety of a prudent inventor depends largely on the existence of a sound, conveniently arranged classification. In the absence of such a classification it is not reasonably practicable for an inventor to ascertain what prior applications, if any, anticipate him wholly or in part. He is therefore unable to act with a knowledge of facts which may render his patent valueless in law.

In the report for 1924 my predecessor drew attention to the necessity for a substantial reviewing of the classification. Preliminary recommendations on this head were made by me in November last, and upon these recommendations being given effect to, and the permanent reorganization of the staff being accomplished, one of the important matters to be taken in hand for improvement will be the classification of inventions.

TRADE-MARK CLASSIFICATION.

A statutory duty is cast upon the Office to reject trade-marks that are too similar to trade-marks already registered. This duty cannot be discharged with certainty unless the trade-mark classification is scientifically and accurately compiled from day to day, by or under the close supervision of officers very thoroughly trained in trade-mark work. It is becoming increasingly necessary for officers to specialize in trade-mark work. This work is now more difficult than formerly, partly owing to complexity due to normal growth, and partly owing to the increased duties imposed on the Office by the Act of 1921-22. The present classification requires an extensive overhaul, but at present there are not sufficient trained men available to enable this work to be undertaken without detriment to ordinary current work. The building-up and maintaining of an experienced permanent trade-mark staff is therefore necessary to enable the Office to continue the satisfactory performance of its duties under the Act.

PATENTS.

The number of applications received in respect of patents during last year was 2,046, compared with 2,085 in the preceding year. There were 1,105 (1,143)* provisional specifications lodged with applications, and in 941 cases (942) a complete specification was lodged with the application. The number of complete specifications left during the year in respect of applications for which provisional specifications had previously been filed was 282 (299). The total number of applications up to the 31st December, 1925, was 55,617, and the number of patents in force on that date was 7,205.

The amount received during the year in respect of patents was £9,053 3s. 5d., being £642 10s. 3d. more than in 1924, which was the highest amount previously received. The number of assignments, licenses, &c., in respect of patents was 140, compared with 128 in 1924. There were 3 (2) patents sealed after prescribed time, and restoration granted in 4 (7) cases. The fees from these sources amounted to $\pounds 127$ 10s., as compared with $\pounds 155$ for the year 1924. The amendment of the principal Act to enable complete specifications to be accepted after the prescribed time was taken advantage of in 2 cases.

DESIGNS.

There were 203 applications lodged during the year. This is to in execute of the intervention of applications for the previous four years being respectively 141, 214, 183, and the intervention of applications up to the 31st December, 1925, was 2,182. The total number of registrations in force on the 31st December, 1925, was 898, including 80 which had been renewed for the second term and 19 in which the period of copyright had been extended for the third The number of applications received from persons resident in New Zealand was 123; 45 were term. from Great Britain; 16 from Australia; and 10 from the United States of America.

TRADE - MARKS.

The applications received during the year totalled 1,332, being the largest number received in any

one year--except 1920, in which 1,391 were received, and 1924, in which 1,338 were received in any one year--except 1920, in which 1,391 were received, and 1924, in which 1,338 were received. The fees paid amounted to £4,093 18s. 9d.—£214 7s. 3d. more than in the preceding year. The number of applications was greatest in the following classes of goods: "Chemical substances prepared for use in medicine and pharmacy" (Class 3), 83 (94)*; "Articles of clothing" (Class 38), 109 (105); "Substances used as food or ingredients in food" (Class 42), 193 (198); and "Candles, soap, and other laundry articles, oils, &c." (Class 47), 84 (123). The number of applications received up to 31st December 1889, was 1 213. From that

The number of applications received up to 31st December, 1889, was 1,213. From that date to 31st December, 1925, the number was 23,542, giving a total of 24,755. Countries from which Applications were received.—The number of applications—510—received

from residents of this country was the same as that of 1924; 332 (355) were received from Great Britain, 200 (195) from the United States, 70 (78) from New South Wales, 37 (115) from Victoria, 6 (0) from Queensland, 1 (0) from South Australia, 33 (19) from Canada, and 47 (25) from Germany. The total number from the British Empire (including New Zealand) was 996, as compared with 1,079 for 1924 and 911 for 1923, or 75 per cent. of the total received.