Expenditure of an exceptional and non-recurring character accounted for £287 11s. 6d. Owing to unavoidable delay in compiling and printing the index for 1915, its cost is included in the expenditure for last year instead of the previous year.

The cessation of the payment of the renewal fees under the previous Act (the last of which are now being received), while the reduced renewal fees under the present Act are also being paid,

will tend to somewhat reduce the revenue, unless maintained from other sources.

The production of revenue beyond the amount required to defray its own expenses strictly forms no function of a Patent Office, and while further reduction of the fees (which are now the lowest in the world with the exception of those in the United States of America) does not at present seem advisable, there are many directions in which improvement may be effected before that state is reached when the needs of the public, of inventors, and the Office can be regarded as having been adequately met and any surplus be absorbed into the general revenue without detriment to the progress of invention and industry.

The present premises being required for other purposes, the Office is being shifted into the adjoining building. Though the accommodation there affords little if any more office-space than at present occupied, and is divided into a number of small rooms, it has the advantage of enabling the staff to be together in one building instead of in separate premises; of providing rather better facilities for those doing business with the Office; and, what is important, separate space for the library, where it can be more conveniently referred to during the day, and, it is hoped, be open to some extent at night also-the only time when the public for the most part are free to refer to it.

Grave risk, however, is incurred of the loss or destruction of important titles and records, owing to there being no safe-accommodation for them, and it is important that this be provided as soon as possible.

Besides the questions already referred to, the printing of specifications and abridgments are amongst other matters of importance which require attention before the full benefit of our patent

laws can be reaped.

WAR PROVISIONS.

The only application for avoidance or suspension of enemy registration during the past year was in the case of one trade-mark, but it was not considered to be in the interests of the public that it should be avoided, and the application was accordingly refused.

Action still continues to be freely taken under the provision enabling further time to be granted where, owing to the war, the requisite steps cannot be taken or fee paid by the due date.

Where on account of the war it is considered inadvisable that inventions should become known to the enemy the publication of specifications is withheld, and for the same reason permission is required to be obtained before applications for patents are made abroad.

PATENTS.

The number of applications received during 1917 was 1,329, being 68 more than in 1916. Provisional specifications were left with 789 (784) applications, and complete specifications with 540 (479), while 355 (220) complete specifications were lodged in respect of applications with provisional specifications which had been previously filed, making a total of 1,684 specifications for the year, or 200 more than in the previous year. [Note.—A mistake occurs in this part of the report for last year. In place of the last two lines of the paragraph headed "Patents," commencing "of 1,483 applications," there should have been inserted "of 1,483 specifications, as compared with 1,553 in 1915, and 2,051—the greatest number received in any one year—in 1913.''

The total number of applications received to the 31st December, 1917, is 39,648, and the

number of patents then in force 4,258.

The amount received in patent fees was £5,060 11s. 3d., £781 6s. 9d. less than in the previous year. The decrease is chiefly in respect of renewal fees, £2,469 being received in that respect in 1917, as compared with £3,138 in the preceding year.

Applications were made for the restoration of 3 lapsed patents, and were all granted, the fees therefrom realizing £44. In 1916, 7 patents were restored, the fees amounting to £171. From women inventors 26 applications were received, as compared with 44 in 1916. patents of addition were sealed during the year. The provision enabling the subject-matter of two or more provisional specifications to be included in the one complete specification was availed of in only one case in 1917.

Value of Patents as shown by Extent to which they are maintained.

The extent to which the industries of the country are affected by its patent laws is a matter which probably only those connected with manufacture are in a position to ascertain, and the number of applications for patents, &c., affords little guide in the matter. The patents maintained over a term of years, &c., in proportion to those granted convey perhaps a slight indication of the number of inventions that are successful as compared with the number patented; and the following comparison is made for what it is worth, between the patents applied for by residents of New Zealand and granted and kept in force by the payment of the fees required after the fourth and seventh years under the Act of 1908, and after the third year under the Act of 1911. Similar figures with regard to patents applied for in the United Kingdom granted and maintained by the payment of fees for the fourth and seventh years are added,