UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended April 30, 2008

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the transition period from to

Commission file number 1-8696

COMPETITIVE TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)
www.competitivetech.net

Delaware	36-2664428
(State or other jurisdiction if incorporation or organization)	(I.R.S. Employer Identification No.)
777 Commerce Drive, Suite 100	
Fairfield, Connecticut	06825
(Address of principal executive offices)	(Zip Code)

(203) 368-6044
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "accelerated filer, large accelerated filer and smaller reporting company" as defined in Rule 12b-2 of the Exchange Act.
Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [ ] Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act).
Yes [ ] No [X]

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes [ ] No [ ]

The number of shares of the registrant’s common stock outstanding as of June 12, 2008 was 8,179,872 shares.

COMPETITIVE TECHNOLOGIES, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Interim Financial Statements

COMPETITIVE TECHNOLOGIES, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

	April 30, 2008 (Unaudited)	July 31, 2007
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 2,900,705	$ 6,572,076
Receivables, net of allowance of $101,154 and $422,604 at April 30, 2008 and July 31, 2007	948,037	739,797
Available-for-sale securities	-	1,630,237
Inventory	31,300	44,781
Prepaid expenses and other current assets	170,070	377,419
Total current assets	4,050,112	9,364,310
Property and equipment, net	280,711	304,185
Other long term assets	40,833	43,861
Intangible assets acquired, net	-	377
TOTAL ASSETS	$ 4,371,656	$ 9,712,733
LIABILITIES AND SHAREHOLDERS' INTEREST		
Current Liabilities:		
Accounts payable	$ 586,693	$ 727,808
Accrued expenses and other liabilities	1,071,173	1,323,485
Total current liabilities	1,657,866	2,051,293
Deferred Rent	74,994	62,624
Shareholders' interest:		
5% preferred stock, $25 par value, 35,920 shares authorized, 2,427 shares issued and outstanding	60,675	60,675
Common stock, $.01 par value, 20,000,000 shares authorized, 8,179,872 and 8,107,380 shares issued and outstanding	81,798	81,073
Capital in excess of par value	35,681,426	35,263,453
Accumulated deficit	(33,185,103)	(28,315,344)
Accumulated other comprehensive income	-	508,959
Total shareholders' interest	2,638,796	7,598,816
TOTAL LIABILITIES AND SHAREHOLDERS' INTEREST	$ 4,371,656	$ 9,712,733

See accompanying notes

COMPETITIVE TECHNOLOGIES, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations
(Unaudited)

	Three months ended April 30,	
	2008	2007
Revenues		
Retained royalties	**$ 210,490**	$ 664,308
Investment income	**26,337**	121,237
Product sales	**1,302**	107,041
	238,129	892,586
Expenses		
Cost of product sales	**800**	76,539
Personnel and other direct expenses relating to revenues	**539,065**	1,913,644
General and administrative expenses	**708,317**	819,300
Patent enforcement expenses, net of reimbursements	**742**	124,957
	1,248,924	2,934,440
(Loss) before income taxes	**(1,010,795)**	(2,041,854)
Provision (benefit) for income taxes	**-**	-
Net (loss)	**$ (1,010,795)**	$ (2,041,854)
Basic and diluted (loss) per share	**$ (0.12)**	$ (0.25)
Basic and diluted weighted average number of common shares outstanding:	**8,179,872**	8,047,899

See accompanying notes

PART I. FINANCIAL INFORMATION (Continued)

COMPETITIVE TECHNOLOGIES, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations
(Unaudited)

	Nine months ended April 30,	
	2008	2007
Revenues		
Retained royalties	**$ 763,529**	$ 2,138,721
Investment income	**146,524**	445,992
Product sales	**58,586**	107,041
	968,639	2,691,754
Expenses		
Cost of product sales	**52,181**	76,539
Personnel and other direct expenses relating to revenues	**2,554,001**	4,388,477
General and administrative expenses	**2,901,151**	4,432,523
Patent enforcement expenses, net of reimbursements	**32,660**	521,062
Impairment of available-for-sale securities	**227,596**	-
Loss on sale of available-for-sale securities, net of gains	**70,809**	-
	5,838,398	9,418,601
(Loss) before income taxes	**(4,869,759)**	(6,726,847)
Provision (benefit) for income taxes	**-**	-
Net (loss)	**$ (4,869,759)**	$ (6,726,847)
Basic and diluted (loss) per share	**$ (0.60)**	$ (0.84)
Basic and diluted weighted average number of common shares outstanding:	**8,148,443**	8,017,901

See accompanying notes

PART I. FINANCIAL INFORMATION (Continued)

COMPETITIVE TECHNOLOGIES, INC. AND SUBSIDIARIES

Condensed Consolidated Statement of Comprehensive Income (Loss) and Changes in Shareholders' Interest
For the nine months ended April 30, 2008
(Unaudited)

	Preferred Stock		Common Stock					
	Shares outstanding	**Amount**	**Shares outstanding**	**Amount**	**Capital in excess of par value**	**Accumulated deficit**	**Accumulated other comprehensive income/(loss)**	**Total shareholders' interest**
Balance – July 31, 2007	2,427	$ 60,675	8,107,380	$ 81,073	$ 35,263,453	$ (28,315,344)	$ 508,959	$ 7,598,816
Comprehensive loss:								
Net (loss)						(4,869,759)		(4,869,759)
Unrealized decrease in market value of securities							(626,144)	(626,144)
Foreign currency translation adjustments on securities							60,923	60,923
Reclassification to net loss							56,262	56,262
Total comprehensive (loss)								(5,378,718)
Compensation expense from stock option grants					270,490			270,490
Stock issued under 401(k) Plan			62,492	625	132,483			133,108
Stock issued to Directors			10,000	100	15,000			15,100
Balance – April 30, 2008 (Unaudited)	2,427	$ 60,675	8,179,872	$ 81,798	$ 35,681,426	$ (33,185,103)	$ -	$ 2,638,796

See accompanying notes

PART I. FINANCIAL INFORMATION (Continued)

COMPETITIVE TECHNOLOGIES, INC. AND SUBSIDIARIES

Condensed Consolidated Statement of Cash Flows
(Unaudited)

	Nine months ended April 30,	
	2008	2007
Cash flows from operating activities:		
Net (loss)	**$ (4,869,759)**	$ (6,726,847)
Non-cash and other expenses (income) included in net loss:		
Depreciation and amortization	**54,186**	68,155
Deferred rent	**12,370**	-
Share-based compensation – stock options	**270,490**	845,417
Accrued stock contribution	**120,662**	104,562
Loss on available-for-sale securities	**70,809**	-
Loss on permanent impairment of available-for-sale securities	**227,596**	-
Changes in assets and liabilities:		
Receivables	**(208,240)**	1,872,416
Inventory	**13,481**	-
Prepaid expenses and other long-term assets	**210,376**	138,290
Accounts payable and accrued expenses and other liabilities	**(365,881)**	922,502
Net cash used in operating activities	**(4,463,910)**	(2,775,505)
Cash flows from investing activities:		
Purchases of property and equipment	**(30,334)**	(223,757)
Proceeds from sales of available-for-sale securities	**822,873**	-
Investment in non-public companies	**-**	(750,000)
Net cash provided by (used in) investing activities	**792,539**	(973,757)
Cash flows from financing activities:		
Proceeds from exercises of stock options	**-**	78,425
Net cash provided by financing activities	**-**	78,425
Net (decrease) in cash and cash equivalents	**(3,671,371)**	(3,670,837)
Cash and cash equivalents at beginning of period	**6,572,076**	12,909,311
Cash and cash equivalents at end of period	**$ 2,900,705**	$ 9,238,474

Supplemental disclosure of non-cash transactions:

On November 21, 2007, the Company contributed 62,492 shares of common stock valued at $133,108 to the 401(k) Plan. On January 2, 2008, the Company issued 10,000 shares valued at $15,100 as compensation to four non-employee directors under the 1996 Directors' Stock Participation Plan.

See accompanying notes

COMPETITIVE TECHNOLOGIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)

1. BASIS OF PRESENTATION

The interim condensed consolidated financial information presented in the accompanying condensed consolidated financial statements and notes hereto is unaudited.

Competitive Technologies, Inc. ("CTT"), and its wholly owned and majority owned subsidiaries (collectively, "we" or "us"), provide patent and technology licensing and commercialization services throughout the world with respect to a broad range of life, electronic, physical, and nano science technologies originally invented by various universities, corporations and individuals. We are compensated for our services primarily by sharing in the license and royalty fees generated from the successful licensing of our clients' technologies. In fiscal 2008, we began test marketing in the US an electronic device used for stress reduction and memory improvement purposes, selling 37 units in the first nine months fiscal 2008. The Company is seeking US distributors for this product. The condensed consolidated financial statements include the accounts of CTT and its subsidiaries. Inter-company accounts and transactions have been eliminated in consolidation. Certain prior year amounts have been reclassified to conform to the current year's presentation.

We believe we made all adjustments necessary, consisting only of normal recurring adjustments, to present the unaudited condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. The results for the three and nine months ended April 30, 2008 are not necessarily indicative of the results that can be expected for the full fiscal year ending July 31, 2008.

The interim unaudited condensed consolidated financial statements, and notes thereto, should be read in conjunction with our Annual Report on Form 10-K for the year ended July 31, 2007, filed on October 29, 2007.

The Company incurred an operating loss for the first nine months of fiscal 2008, as well as operating losses in fiscal 2007 and 2006. During fiscal 2007, we had a significant concentration of revenues from our homocysteine assay technology. The patent for this technology expired in July 2007 and we will not receive revenues for sales made after that date. Revenue in 2008 for the homocysteine technology reflects previously unreported back royalties. We continue to seek revenue from new technology licenses to mitigate the concentration of revenues, and replace revenues from expiring licenses. At current reduced spending levels, the Company may not have sufficient cash flow to fund operating expenses beyond third quarter fiscal 2009. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include adjustments to reflect the possible future effect of the recoverability and classification of assets or amounts and classifications of liabilities that may result from the outcome of this uncertainty.

The Company's continuation as a going concern is dependent upon its developing other recurring revenue streams sufficient to cover operating costs. If necessary, we will meet anticipated operating cash requirements by further reducing costs, and/or pursuing sales of certain assets and technologies while we pursue licensing opportunities for our remaining portfolio of technologies. The company does not have any significant individual cash or capital requirements in the budget going forward. There can be no assurance that the Company will be successful in such efforts. Failure to develop a recurring revenue stream sufficient to cover operating expenses would negatively affect the Company's financial position.

2. NET LOSS PER COMMON SHARE

For the nine months ended April 30, 2008 and 2007, respectively, 837,478 and 1,116,415 shares of outstanding common stock options were excluded from the computation of diluted net loss per share because they were anti-dilutive.

3. COMPREHENSIVE LOSS AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Comprehensive loss consists of the following:

	Three months ended April 30,		Nine months ended April 30,	
	2008	2007	**2008**	2007
Net (loss)	**$ (1,010,795)**	$ (2,041,854)	**$ (4,869,759)**	$ (6,726,847)
Unrealized increase (decrease) in market price of securities	**-**	219,985	**(626,144)**	1,091,432
Foreign currency translation adjustments on securities	**-**	105,408	**60,923**	109,506
Reclassification to net income	**-**	-	**56,262**	-
Comprehensive (loss)	**$ (1,010,795)**	$ (1,716,461)	**$ (5,378,718)**	$ (5,525,909)

Accumulated other comprehensive loss consists of the following:

	April 30, 2008	July 31, 2007
Accumulated net unrealized holding income on equity securities	**$ -**	$ 80,951
Accumulated unrealized foreign Currency translation gains	**-**	195,884
Accumulated unrealized gain from reversal of sale restriction discount	**-**	232,124
Accumulated other comprehensive income	**$ -**	$ 508,959

4. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In September 2006, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 157, "*Fair Value Measurements*" ("SFAS 157"). This statement establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The provisions of SFAS 157 should be applied prospectively as of the beginning of the fiscal year in which SFAS 157 is initially applied, except in limited circumstances. We are currently evaluating the impact of SFAS 157 on our consolidated financial statements.

In February 2008, the FASB Staff Position No. 157-1, "*Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13*" (FSP FAS 157-1"). FSP FAS 157-1 excludes FASB Statement No. 13, "*Accounting for Leases*" (SFAS 13"), as well as other accounting pronouncements that address fair value measurements on lease classification or measurement under Statement 13, from the scope of SFAS 157. FSP FAS 157-1 is effective upon the initial adoption of SFAS 157. The Company believes that upon the adoption of SFAS 157, FSP FAS 157-1 will have no affect on the way the Company accounts for its leases under SFAS 13.

In February 2008, the FASB issues FASB Staff Position No. 157-2, "*Effective Date of FASB Statement No. 157*" ("FSP FAS 157-2"). FSP FAS 157-2 delays the effective date of SFAS 157 for all nonrecurring fair value measurements of nonfinancial assets and nonfinancial liabilities until fiscal years beginning after November 15, 2008. FSP FAS 157-2 states that a measurement is recurring if it happens at least annually and defines nonfinancial assets and nonfinancial liabilities as all assets and liabilities other than those meeting the definition of a financial asset or financial liability in FASB Statement No. 159, "*The Fair Value Option for Financial Assets and Financial*

Liabilities". FSP FAS 157-2 is effective upon issuance. The Company is currently evaluating the impact adoption of FAP FAS 157-2 may have on the financial statements.

In February 2007, the FASB issued SFAS No. 159, "*The Fair Value Option for Financial Assets and Financial Liabilities—including an amendment of FASB Statement No. 115*" ("SFAS 159"). This statement permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value and establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. SFAS 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of SFAS 157. We are currently evaluating the impact of SFAS 159 on our consolidated financial statements.

In December 2007, the FASB issued Statement No. 141(R), "*Business Combinations*" ("SFAS 141(R)"). SFAS 141(R) expands the definition of transactions and events that qualify as business combinations; requires that the acquired assets and liabilities, including contingencies, be recorded at the fair value determined on the acquisition date and changes thereafter reflected in revenue, not goodwill; changes the recognition timing for restructuring costs; and requires acquisition costs to be expensed as incurred. Adoption of SFAS 141(R) is required for combinations after December 15, 2008. Early adoption and retroactive application of SFAS 141(R) to fiscal years preceding the effective date are not permitted. The Company is currently evaluating the impact adoption of SFAS 141(R) may have on the financial statements.

In May 2008, the FASB issued Statement No. 162, "*The Hierarchy of Generally Accepted Accounting Principles*" ("SFAS 162"). The new standard is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with U.S. generally accepted accounting principles (GAAP) for nongovernmental entities. Prior to the issuance of SFAS 162, GAAP hierarchy was defined in the American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards (SAS) No. 69, *The Meaning of* Present Fairly in Conformity With Generally Accepted Accounting Principles. SAS 69 has been criticized because it is directed to the auditor rather than the entity. SFAS 162 addresses these issues by establishing that the GAAP hierarchy should be directed to entities because it is the entity, not its auditor, that is responsible for selecting accounting principles for financial statements that are presented in conformity with GAAP.

SFAS 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board Auditing amendments to AU Section 411, *The Meaning of* Present Fairly in Conformity with Generally Accepted Accounting Principles. It is only effective for nongovernmental entities; therefore, the GAAP hierarchy will remain in SAS 69 for state and local governmental entities and federal governmental entities. The Company is currently evaluating the impact adoption of SFAS 162 may have on the financial statements.

5. RECEIVABLES

Receivables consist of the following:

	April 30, 2008	July 31, 2007
Royalties, net of allowance of $101,154 and $422,604 at April 30, 2008 and July 31, 2007	**$ 709,949**	$ 513,085
Receivable from insurance carrier	**207,283**	177,304
Other	**30,805**	49,408
Total receivables	**$ 948,037**	$ 739,797

Receivable from insurance carrier relates to SEC litigation regarding Mr. McPike as noted in Part I, Note 10.

6. INVENTORY

Inventory consists of the stress reduction and memory improvement devices.

Inventories, consisting of finished goods, are stated at the lower of cost (first-in, first-out) or market.

7. EQUITY SECURITIES

The fair value of the equity securities we held were categorized as available-for-sale securities, which were carried at fair value, and classified as current assets, consisted of the following:

	April 30, 2008	July 31, 2007	Number of shares	Type
Palatin (original basis $295,596)	-	$ 311,100	170,000	Common Stock
Clinuvel (original basis $825,682)	-	1,319,137	1,913,032	Common Stock
MelanoTan	-	-	378,000	Common Stock
NTRU Cryptosystems, Inc.	-	-	3,129,509	Common Stock
	$ -0-	$ 1,630,237		

At October 31, 2007, the Company determined that the decline in value of the Palatin shares was other than temporary. As a result, the Company reduced the amount recorded as available-for-sale securities to equal the fair market value of such shares at October 31, 2007 and recognized an impairment of available-for-sale securities of $227,596 during the first quarter of fiscal 2008.

During the first nine months of fiscal 2008 we sold 170,000 shares of Palatin stock with an adjusted cost basis of $68,000 for $40,716. The loss on the sale of $27,284, including gross gains of $-0- and gross losses of $27,284, is included in loss on sale of available-for-sale securities.

In addition, during the first nine months of fiscal 2008 we sold 1.9 million shares of Clinuvel stock for $782,157 with a cost basis of $825,682. The loss on sale of $43,525, including gross gains of $24,325 and gross losses of $67,850, is included in loss on sale of available-for-sale securities.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities consist of the following:

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	April 30, 2008	July 31, 2007
Royalties payable	**$ 514,247**	$ 594,331
Accrued compensation	**153,679**	236,218
Accrued professional fees	**196,028**	388,779
Customer refunds	**54,749**	-
Accrued payables – inventory	**34,911**	-
Other	**117,559**	104,157
Accrued expenses and other liabilities	**$ 1,071,173**	$ 1,323,485

9. SHAREHOLDERS' EQUITY AND STOCK-BASED COMPENSATION PLANS

The Company accounts for its stock-based employee compensation arrangements under SFAS No. 123 (revised 2004), "*Share Based Payment*" ("SFAS No. 123R"), which requires companies to recognize the cost of employee services received in exchange for awards of equity instruments, based on the grant date fair value of those awards, in the financial statements. The Company accounts for its non-employee options under EITF 96-18, "*Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring, or in Conjunction With Selling, Goods or Services*" ("EITF 96-18").

During the first quarter of fiscal 2008, the Company granted to its non-employee directors as their initial directors award, options to purchase an aggregate of 50,000 shares of common stock under the Directors' Stock Option Plan at a weighted average exercise price of $2.52 per share that vested immediately. The fair value of the options granted for the first quarter fiscal 2008 was $81,440. This amount was recorded as non-cash compensation expense during the respective period.

During the second quarter of fiscal 2008, the Company granted to its non-employee directors as their annual award, options to purchase an aggregate of 50,000 shares of common stock under the Directors' Stock Option Plan at a weighted average exercise price of $1.51 per share that vested immediately. The fair value of the options granted for the second quarter fiscal 2008 was $46,250. This amount was recorded as non-cash compensation expense during the respective period.

During the first quarter of fiscal 2008, the Company granted to its employees options to purchase an aggregate of 190,000 shares of common stock under the 1997 Employees' Stock Option Plan at an exercise price of $2.25 which vest over four years. The fair value of these options was $272,080, which will be recognized as non-cash compensation expense over the vesting period. For the three and nine months ended April 30, 2008, the Company recognized $49,252 and $142,800, respectively, of non-cash compensation expense for the fair value of options granted to employees.

The fair value of the Black-Scholes options-pricing model was calculated with the following weighted average assumptions used for the grant: risk-free interest rates from 3.28% to 4.62%; expected life five years; expected volatility from 71.909% to 75.746%, and expected dividends of zero. The fair value generated by the Black-Scholes model may not be indicative of the future benefit, if any, to the option holder.

10. CONTINGENCIES

Carolina Liquid Chemistries Corporation, et al. – On August 29, 2005, we filed a complaint against Carolina Liquid Chemistries Corporation ("Carolina Liquid") in the United States District Court for the District of Colorado, alleging infringement of our patent covering homocysteine assays, and seeking monetary damages, punitive damages, attorneys' fees, court costs and other remuneration at the option of the court. Carolina Liquid was served on September 1, 2005. We became aware of other infringers and amended our complaint to add as defendants Catch, Inc. ("Catch") and the Diazyme Laboratories Division of General Atomics ("Diazyme"). On September 6, 2006, Diazyme filed for declaratory judgment in the Southern District of California for a change in venue and a declaration of non-infringement and invalidity. On September 12, 2006, the District Court of Colorado ruled that Catch and Diazyme be added as defendants to the Carolina Liquid case. On October 23, 2006, Diazyme requested the United States Patent and Trademark Office (the "USPTO") re-evaluate the validity of our patent. This request was granted by the USPTO on December 14, 2006 and re-examination proceedings are underway. We do not expect an adverse finding by the USPTO, however, the re-examination process will further delay the resolution of the case. Further action in this case is pending.

Palatin Technologies – CTT initiated litigation on September 14, 2005, against Palatin as a result of Palatin's breach of a Settlement Agreement between CTT and Palatin dated June 17, 2005. The settlement resolved a prior dispute regarding CTT's rightful portion of certain sublicense fees Palatin received from King Pharmaceuticals. The parties filed their complaints, counterclaims, and responses. CTT commenced an arbitration proceeding on June 5, 2006, as a result of Palatin's breach of a License Agreement between CTT and Palatin dated March 31, 1998.

On October 2, 2007, we presented Palatin with a notice that it was in default of the PT-14 technology license agreement stating that Palatin committed a material breach of the March 31, 1998 agreement.

On January 22, 2008, we announced an agreement with Palatin terminating the License Agreement of March 31, 1998. As part of this agreement, Palatin agreed to pay CTT $800,000. These funds were received in January 2008. In addition, it was agreed that all disputes and liabilities related to the Agreement being discussed in both the litigation and arbitration proceedings would be dismissed. CTT recorded revenue of $320,000 and reduced patent enforcement expenses by $480,000 in accordance with the agreement with our client.

CTT retains all rights to the technology commonly known as PT-14, and is pursuing discussions with parties to develop this technology.

Ben Marcovitch and other co-defendants – On August 8, 2007, we announced that former CTT Director Ben Marcovitch had been removed for cause from our Board of Directors by unanimous vote of CTT’s five Directors for violating CTT's Code of Conduct. At that time, CTT also withdrew from its involvement with Agrofrut, E.U., a nutraceutical firm brought to CTT by Mr. Marcovitch. As announced on April 10, 2007, CTT had paid $750,000 to Agrofrut for a 5% ownership, and certain marketing and investment options in Agrofrut.

On August 31, 2007, we filed a Federal complaint in the U.S. District Court for the District of Connecticut against Mr. Marcovitch, Betty Rios Valencia, President and CEO of Agrofrut and former spouse of Mr. Marcovitch, John Derek Elwin, III, a former CTT employee, and other defendants. The complaint claims that false and misleading information had been provided to CTT in a conspiracy to fraudulently obtain funds from CTT using the Agrofrut transaction. We have requested, among other relief, punitive damages and attorneys' fees. It is our opinion and that of our Board of Directors that this lawsuit is required to recover our $750,000 and to settle outstanding issues regarding the named parties.

On October 22, 2007, at a show cause hearing, the Court stated that all defendants named in the case, and their associates, were enjoined from any further use of any remaining part of the $750,000 received from CTT. The Court ordered a full disclosure of all accounts where remaining funds are held, and a complete description of the disposition of any portion of the CTT payment must be made to CTT's counsel. At a December 7, 2007 hearing, the Court requested CTT to specify an appropriate Prejudgment Remedy for the Court to consider. On December 20, 2007, a Prejudgment Remedy was issued granting garnishment of the $750,000 CTT is seeking to recover.

On January 11, 2008, the Court denied the defendants' attempts at demonstrating that Connecticut was not the proper jurisdiction for these hearings.

On April 22, 2008, the Court ruled that the defendants must make arrangements for depositions to be completed by May 2, 2008, a date that was then extended by the Court. The Court granted permission for the defendants' depositions to be conducted via video conferencing when the defendants indicated their inability to travel to the Connecticut court. The depositions were conducted on June 2, 2008.

We intend to aggressively pursue this matter. We have also filed a claim under our fraud insurance policy with Federal Insurance Company, a part of the Chubb Group.

Securities and Exchange Commission-- On August 11, 2004, the SEC filed a civil suit in the United States District Court for the District of Connecticut, naming Frank R. McPike, Jr., former President and CEO of CTT, and six individual brokers, alleging that from at least July 1998 to June 2001, the defendants were involved in a scheme to manipulate the price of our stock. The case relates to our 1998 stock repurchase program.

We filed suit against our directors’ and officers’ insurance carrier to obtain reimbursement of our costs to defend us and our directors and officers. As part of an October 2004 settlement, our insurance carrier acknowledged that the deductible under our insurance policy had been satisfied relating to the SEC’s civil suit. As a result, defense costs incurred in 2005 and thereafter, have been covered by our insurance carrier.

On October 10, 2007, we agreed to a settlement of this case without the Company admitting or denying the allegation of the complaint, and consenting to be permanently restrained and enjoined from violating Sections 9(a) and 10(b) of the Securities Exchange Act of 1934, and rule 10b-5 thereunder. No fines or penalties were imposed on the Company by the SEC in connection with this settlement. The settlement agreement has been approved by the SEC and on October 26, 2007 was accepted by the Connecticut Federal District Court. This will close the SEC's investigation and proceedings against the Company. No members of CTT's current Board or management held positions with the Company during the period of 1998-2001.

Frank R. McPike, who was charged separately from the Company but covered under the Company's insurance, personally agreed on a settlement with the SEC, which was accepted by the court on October 31, 2007. The Company incurred no costs in connection with Mr. McPike's settlement. The penalty phase review for Mr. McPike has now been completed between Mr. McPike, the SEC and the Court. This case has now been settled regarding CTT and Mr. McPike.

ICR, LLC – On August 3, 2007, ICR, LLC filed a complaint in Superior Court, Judicial District of Fairfield, at Bridgeport, Connecticut against CTT in an attempt to collect funds allegedly owed them from a previously cancelled contract. Previous management had employed ICR for public relations activity during their proxy contest in their attempt to be re-elected. The consulting contract was cancelled by the new management after their election in February 2007. CTT filed counter-claims against ICR. On June 6, 2008 the matter was resolved with mutual withdrawal of the respective complaints. No monetary payment was made by either party.

Federal Insurance Co. – On April 2, 2008, CTT filed a complaint in the U.S. District Court for the District of Connecticut against Federal Insurance, seeking the coverage to which it is entitled under its policy with Federal. CTT asserts that Federal is obligated to insure CTT for its $750,000 loss and legal fees associated with the case involving Ben Marcovitch and other co-defendants. The case is proceeding through the court.

Employment Matters – In September 2003, a former employee filed a complaint with OSHA. The hearing held before the Administrative Law Judge in May 2005 resulted in a dismissal of the case by the ALJ, which was appealed by the former employee to the Administrative Review Board. In March 2008 the ARB remanded the case back to the ALJ for further proceedings.

In August 2007, a complaint filed in a separate action with OSHA alleged that CTT had unfairly banned the same former employee from the workplace. In March 2008, this case, dismissed by OSHA, was also appealed by the former employee to the ARB.

Summary – We may be a party to other legal actions and proceedings from time to time. We are unable to estimate the legal expenses or losses we may incur, or damages we may recover in these actions, if any, and have not accrued potential gains or losses in our financial statements. We record expenses in connection with these actions as they are incurred.

We believe we carry adequate liability insurance, directors' and officers' insurance, casualty insurance, for owned or leased tangible assets, and other insurance as needed to cover us against claims and lawsuits that occur in the ordinary course of our business. However, an unfavorable resolution of any or all matters, and/or our incurrence of legal fees and other costs to defend or prosecute any of these actions may have a material adverse effect on our consolidated financial position, results of operations and cash flows in a particular period.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Statements about our future expectations are “forward-looking statements” within the meaning of applicable Federal Securities Laws, and are not guarantees of future performance. When used in this Form 10-Q, the words "may," "will," "should," "anticipate," "believe," "intend," "plan," "expect," "estimate," "approximate," and similar expressions are intended to identify such forward-looking statements. These statements involve risks and uncertainties inherent in our business, including those set forth in Item 1A under the caption "Risk Factors," in our most recent Annual Report on Form 10-K for the year ended July 31, 2007, filed with the Securities and Exchange Commission ("SEC") on October 29, 2007, and other filings with the SEC, and are subject to change at any time. Our actual results could differ materially from these forward-looking statements. We undertake no obligation to update publicly any forward-looking statement.

Overview

We are a full service technology transfer and licensing provider. We provide technology transfer, selling and licensing services focused on the technology needs of our customers, matching those requirements with commercially viable technology solutions, bridging the gap between market demand and innovation. We develop relationships with universities, companies, inventors and patent or intellectual property holders to obtain the rights or a license to their intellectual property, principally patents and inventions (collectively, the "technology" or "technologies"). They become our clients, for whom we find markets to sell or further develop their technology. We also develop relationships with those who have a need or use for technologies. They become our customers, usually through a license or sublicense. We identify and commercialize innovative technologies in life and physical sciences, electronics, and nano science developed by universities, companies and inventors. Our goal is to maximize the value of intellectual assets for the benefit of our clients, customers and shareholders.

We earn revenues primarily from licensing our clients’ and our own technologies to our customers (licensees). Our customers pay us royalties based on usage of the technology, and we share those royalties with our clients. Our customer’s revenues and therefore our revenues fluctuate due to one-time upfront license fees, frequency of new licenses granted, expiration of existing licenses, and/or the expiration or economic obsolescence of patents underlying licenses. In fiscal 2008, we began test marketing in the US an electronic device used for stress reduction and memory improvement purposes, selling 37 units in the first nine months 2008. The Company is seeking US distributors for this product.

The following discussion and analysis provides information we believe relevant to an understanding of our financial condition and results of operations. This discussion and analysis should be read in conjunction with our Condensed Consolidated Financial Statements and the Notes thereto.

Reliance on one revenue source

During fiscal 2007, we had a significant concentration of revenues from our homocysteine assay technology. The patent for this technology expired in July 2007 and we will not receive revenues for sales made after that date. Revenue in 2008 for the homocysteine technology reflects previously unreported back royalties. We continue to seek revenue from new technology licenses to mitigate the concentration of revenues, and replace revenues from expiring licenses.

Presentation

We rounded all amounts in this Item 2 to the nearest thousand dollars, except per share data. Certain amounts may not total precisely. All periods discussed in this Item 2 relate to our fiscal year ending July 31: first, second, third and fourth quarters ending October 31, January 31, April 30 and July 31, respectively.

Results of Operations – Three months ended April 30, 2008 ("third quarter 2008") vs. three months ended April 30, 2007 ("third quarter 2007")

Summary of Results

We incurred a net loss of $1,011,000 or $0.12 per share for the third quarter 2008, compared to a net loss of $2,042,000 or $0.25 per share for the third quarter 2007, a 50% decrease in net loss of $1,031,000, or $0.13 per share. As explained in detail below, the decrease in the net loss reflects a decrease of $1,686,000 in expenses partially offset by a decrease in revenue of $655,000.

Revenues

In the third quarter 2008, total revenues were $238,000, compared to $893,000 for the third quarter 2007, a 73% decrease of $655,000.

Retained royalties for the third quarter 2008 were $210,000, which was $454,000, or 68% less than the $664,000 of retained royalties reported in the third quarter 2007. The following compares retained royalty revenues by technology in the third quarter 2008 with the third quarter 2007.

	For the three months ended April 30,			
	2008	2007	(Decrease)	% (Decrease)
Homocysteine assay	**$ 164,000**	$ 539,000	$ (375,000)	(70)%
All other technologies	**46,000**	125,000	(79,000)	(63)%
Total retained royalties	**$ 210,000**	$ 664,000	$ (454,000)	(68)%

Royalty revenues from our homocysteine technology decreased $375,000 in the third quarter 2008 compared to the third quarter 2007, or a 70% decrease. The decrease is due to the expiration of the underlying patent in July 2007. Revenue in 2008 for the homocysteine technology reflects previously unreported back royalties.

Investment income includes dividends and interest earned on our invested cash. Investment income was $26,000 in the third quarter 2008, which was a decrease of $95,000, or 79% from the $121,000 reported for the third quarter 2007. The decrease was primarily due to lower invested balances for the current quarter as compared to the prior year.

Product sales for the third quarter of fiscal 2008 consist of sales of our new electronic stress management and memory improvement device. In fiscal 2008, we began test marketing the stress reduction and memory improvement device in the US, selling four units in the third quarter 2008. The Company is seeking US distributors for this product. Product sales for the third quarter of fiscal 2007 consisted of sales of our thermal therapy units, which we no longer have available.

Expenses

	For the three months ended April 30,			
	2008	2007	Increase (Decrease)	% Increase (Decrease)
Cost of product sales	$ **1,000**	$ 77,000	$ (76,000)	(99)
Personnel and other direct expenses relating to revenues	**539,000**	1,914,000	(1,375,000)	(72)
General and administrative expenses	**708,000**	819,000	(111,000)	(14)
Patent enforcement expenses net of reimbursements	**1,000**	125,000	(124,000)	(99)
Total expenses	**$ 1,249,000**	$ 2,935,000	$ (1,686,000)	(57)

Total expenses decreased $1,686,000 or 57% in the third quarter 2008, compared to the third quarter 2007.

Cost of product sales for the third quarter of fiscal 2008 consists of the cost of our new electronic stress management and memory improvement product. Cost of sales for 2007 is for our thermal therapy unit, which we no longer have available.

Personnel and other direct expenses relating to revenues decreased a net $1,375,000 in the third quarter 2008, compared to the third quarter 2007, with decreases in payroll of $335,000, a result of reducing headcount 40%, from 20 to 12, employee stock option expense $613,000, the result of all outstanding options vesting in the third quarter 2007 as a result of the change in control provision in the stock option plan, employee bonuses $304,000, the result of reversing the current year bonus accrual in the third quarter as it is unlikely the company will be paying any bonuses for fiscal 2008, and recruiting expenses $134,000. Recruiting expense in fiscal 2007 was for the hiring of two financial staff and a retainer for the search for an additional business development executive.

General and administrative expenses decreased a net $111,000 in the third quarter 2008, compared to the third quarter 2007 primarily due to reductions in investor relations expenses as a result of negotiation of more favorable terms with outside consultants $56,000, investment banking expenses as a result of termination of a contract $34,000, and reduced travel and entertainment expenses as a result of lower headcount and the concerted effort by management to reduce costs $30,000, offset by expenses for the new CTT Innovation Conference $110,000, and a net increase in legal and litigation costs $30,000, primarily due to the Marcovitch case. We collected a previously reserved homocysteine receivable of $320,000. This resulted in a recovery of previously recorded bad debt expense of $129,000, and an increase in royalties payable of $191,000, in accordance with the agreement with our client.

Patent enforcement expenses, net of reimbursements, decreased a net $124,000 in the third quarter 2008, compared to the third quarter 2007. Patent enforcement expenses vary, depending on the activity relating to outstanding litigation. The reduction of expenses is primarily due to settlement of litigation with Fujitsu and Palatin before the current quarter started. In addition, in the Carolina Liquids case, there has been less activity as we await the results of the patent reexam and this has resulted in fewer reimbursements.

Results of Operations – Nine months ended April 30, 2008 ("first nine months 2008") vs. nine months ended April 30, 2007 ("first nine months 2007")

Summary of Results

We incurred a net loss of $4,870,000 or $0.60 per share for the first nine months 2008, compared to a net loss of $6,727,000 or $0.84 per share for the first nine months 2007, a 28% decrease in net loss of $1,857,000, or $0.24 per share. As explained in detail below, the decrease in the net loss is due to a decrease in expenses of $3,580,000 partially offset by a decrease in revenue of $1,723,000.

Revenues

In the first nine months 2008, total revenues were $968,000, compared to $2,692,000 for the first nine months 2007, a decrease of $1,724,000, or 64%.

Retained royalties for the first nine months 2008 were $764,000, which was $1,375,000, or 64% less than the $2,139,000 of retained royalties reported in the first nine months 2007. The following compares retained royalty revenues by technology in the first nine months 2008 with the first nine months 2007.

	For nine months ended April 30,			
	2008	2007	Increase (Decrease)	% Increase (Decrease)
Homocysteine assay	**$ 247,000**	$ 1,694,000	$ (1,447,000)	(85)%
Sexual Dysfunction	**320,000**	60,000	260,000	433%
All other technologies	**197,000**	385,000	(188,000)	(49)%
Total retained royalties	**$ 764,000**	$ 2,139,000	$ (1,375,000)	(64)%

Royalty revenues from our homocysteine technology decreased $1,447,000 in the first nine months 2008 compared to the first nine months 2007, or an 85% decrease. The decrease is due to the expiration of the underlying patent in July 2007. Revenue in 2008 for the homocysteine technology reflects previously unreported back royalties.

Royalty revenues from our sexual dysfunction technology increased $260,000 in the first nine months of 2008 compared with the first nine months of 2007, or a 433% increase. As a result of settling our arbitration proceeding against our licensee, Palatin Technologies, Inc., we recovered $800,000, recording revenue of $320,000 and reducing patent enforcement expenses $480,000 in accordance with the agreement with our client.

Investment income includes dividends and interest earned on our invested cash. Investment income was $147,000 in the first nine months 2008, which was a decrease of $299,000, or 67% from the $446,000 reported for the first nine months 2007. The decrease was primarily due to lower invested balances for the first nine months as compared to the prior year.

Product sales for the first nine months 2008 consist of sales of our thermal therapy unit, and our new electronic stress management and memory improvement device. In fiscal 2008, we began test marketing the stress reduction and memory improvement device in the US, selling 37 units in the first nine months 2008. The Company is seeking US distributors for this product. Product sales for 2007 consist entirely of sales of our thermal therapy unit, which we no longer have available.

Expenses

	For the nine months ended April 30,			
	2008	2007	Increase (Decrease)	% Increase (Decrease)
Cost of product sales	**$ 52,000**	$ 77,000	$ (25,000)	(32)
Personnel and other direct expenses relating to revenues	**2,554,000**	4,388,000	(1,834,000)	(42)
General and administrative expenses	**2,901,000**	4,433,000	(1,532,000)	(35)
Patent enforcement expenses net of reimbursements	**33,000**	521,000	(488,000)	(94)
Loss on permanent impairment of available-for sale securities	**228,000**	-	228,000	-
Loss on sale of available-for-sale securities	**71,000**	-	71,000	-
Total expenses	**$ 5,839,000**	$ 9,419,000	$ (3,580,000)	(38)

Total expenses decreased $3,580,000 or 38% in the first nine months 2008, compared to the first nine months 2007.

Cost of product sales for the first nine months fiscal 2008 consists of the cost of our thermal therapy unit, which we no longer have available, and our new electronic stress management and memory improvement product. Cost of product sales for 2007 was solely the cost of our thermal therapy unit.

Personnel and other direct expenses relating to revenues decreased a net $1,834,000 in the first nine months 2008, compared to the first nine months 2007, with decreases in payroll and related taxes $844,000, the result of reducing headcount 40% from 20 to 12, severance expense $93,000, employee stock option expense $686,000 due to all outstanding options vesting in the third quarter of 2007 due to the change in control provision of the stock option plan, recruiting expense $155,000 due to fees paid to replace two finance staff members and the search for a new business development executive, and employee bonus expense $260,000, offset by increased consulting expenses $84,000, and other direct expenses incurred to develop new technologies $130,000.

General and administrative expenses decreased a net $1,532,000 in the first nine months 2008, compared to first nine months 2007, primarily due to settlement of litigation with our current CEO for $1,000,000 last year plus related legal fees of $740,000, including $650,000 paid directly to the plaintiff's attorney as part of the settlement. In addition, last year we incurred approximately $564,000 related to the proxy fight and annual meeting. Last year we incurred $97,000 in investment banking costs for a contract cancelled when the new management team assumed control. In addition, travel and entertainment expenses are lower in 2008 by $34,000 due to lower headcount and the concerted effort by management to reduce costs. We collected a previously reserved homocysteine receivable of $320,000. This resulted in a recovery of previously recorded bad debt expense of $129,000, and an increase in royalties payable of $191,000, in accordance with the agreement with our client. These savings were offset by increased legal fees of $592,000 primarily related to the Marcovitch litigation, increased audit and section 404 compliance expenses of $150,000, increased investor relations expenses $53,000, increased marketing expenses $72,000 primarily related to launching our stress reduction and memory improvement device, the new 2008 CTT Innovation Conference $125,000, and a net increase in directors fees and expenses $45,000, including stock compensation expenses.

Patent enforcement expenses, net of reimbursements, decreased a net $488,000 in the first nine months 2008, compared to the first nine months 2007. Patent enforcement expenses vary, depending on the activity relating to outstanding litigation. The reduction in patent enforcement expenses for the first nine months of 2008 compared with the first nine months of 2007 is the result of settling our arbitration proceeding with Palatin Technologies, Inc., whereby we were able to recoup $480,000 of incurred legal fees. In addition, Fujitsu and LabCorp litigations were settled prior to fiscal 2008 and there has been little activity in the Carolina Liquids litigation as we await patent reexam results.

Loss on permanent impairment of available-for-sale securities of $228,000 relates to our investment in Palatin shares. During the first quarter of fiscal 2008, the Company determined that the decline in market value of the Palatin shares was other than temporary and wrote the investment down to its fair market value as of October 31, 2007.

Loss on sale of securities of $71,000 relates to our sale of available for sale Palatin and Clinuvel securities.

Financial Condition and Liquidity

Our liquidity requirements arise principally from our working capital needs, including funds needed to find and obtain new technologies and to protect and enforce our intellectual property rights, if necessary. We fund our liquidity requirements with a combination of cash on hand and cash flows from operations, if any, including royalty legal awards.

At April 30, 2008, we had no outstanding debt or available credit facility, and believe it would be very difficult for CTT to obtain debt financing due to the current composition of our balance sheet, including a lack of hard assets against which to borrow, and the unpredictable nature of our annual cash flows. Our financing options currently are limited. We must rely on cash on hand and cash flows from operations, if any, though this situation could change in the future.

We believe we will successfully license new technologies and collect due, but unpaid, royalties on existing licenses to add to revenues, but will likely not be able to offset our operating costs or produce a profit for fiscal 2008. If necessary, we will meet anticipated operating cash requirements by further reducing costs, and/or pursuing sales of certain assets and technologies while we pursue licensing opportunities for our remaining portfolio of technologies. Our litigation costs, including the lawsuit against Ben Marcovitch, should have future costs at greatly reduced levels than what is reflected in our Statement of Operations through April 30, 2008. The Company may not have sufficient cash flow to fund operating expenses beyond third quarter fiscal 2009.

Cash and cash equivalents consist of demand deposits and interest earning investments with maturities of three months or less, including overnight bank deposits and money market funds. We carry cash equivalents at cost.

At April 30, 2008, cash and cash equivalents were $2,901,000 compared to $6,572,000 at July 31, 2007. The first nine months of fiscal 2008 loss of $4,870,000 contained non-cash charges of $756,000 and reduction in assets and liabilities of $350,000, resulting in cash used in operations of $4,464,000. Cash flow provided by investing activities includes proceeds of $823,000 primarily from the sale of available-for-sale securities. These activities reduced cash by $3,671,000. As of June 12, 2008, our cash and cash equivalents balance is approximately $3,000,000.

We currently have the benefit of using a portion of our accumulated NOLs to eliminate any future regular federal and state income tax liabilities. We will continue to receive this benefit until we have utilized all of our NOLs, federal and state. However, we cannot determine when and if we will be profitable and utilize the benefit of the remaining NOLs before they expire.

Capital requirements

The Company incurred an operating loss for the first nine months of fiscal 2008, as well as operating losses in fiscal 2007 and 2006. During fiscal 2007, we had a significant concentration of revenues from our homocysteine assay technology. The patent for this technology expired in July 2007 and we will not receive revenues for sales made after that date. Revenue in 2008 for the homocysteine technology reflects previously unreported back royalties. We continue to seek revenue from new technology licenses to mitigate the concentration of revenues, and replace revenues from expiring licenses. At the current reduced spending levels, the Company may not have sufficient cash flow to fund operating expenses beyond the third quarter fiscal 2009. These conditions raise substantial doubt about the Company’s ability to continue as a going concern.

The Company’s continuation as a going concern is dependent upon its developing other recurring revenue streams sufficient to cover operating costs. Our plan is to increase annual recurring revenues, achieve profitability and increase shareholder value. To accomplish our goals, we have increased our global marketing capabilities, searching for new sources of technologies, licensing those technologies, and establishing strategic relationships. The Company is currently pursuing sale of certain assets and technologies while it puts its plan into operation. The company does not have any significant individual cash or capital requirements in the budget going forward. There can be no assurance that the Company will be successful in such efforts. Failure to develop a recurring revenue stream sufficient to cover operating expenses could significantly negatively affect the Company's financial position.

Contractual Obligations and Contingencies

There have been no substantial changes to our contractual obligations since July 31, 2007.

C*ontingencies.* Our directors, officers, employees and agents may claim indemnification in certain circumstances. We seek to limit and reduce our potential financial obligations for indemnification by carrying directors and officers liability insurance, subject to deductibles.

We also carry liability insurance, casualty insurance, for owned or leased tangible assets, and other insurance as needed to cover us against claims and lawsuits that occur in the ordinary course of business.

Many of our license and service agreements provide that upfront license fees, license fees and/or royalties we receive are applied against amounts that our clients or we have incurred for patent application, prosecution, issuance and maintenance costs. If we incur such costs, we expense them as incurred, and reduce our expense if we are reimbursed from future fees and/or royalties we receive. If the reimbursement belongs to our client, we record no revenue or expense.

As of April 30, 2008, CTT and its majority owned subsidiary, Vector Vision, Inc. ("VVI"), have remaining obligations, contingent upon receipt of certain revenues, to repay up to $199,006 and $207,503, respectively, in consideration of grant funding received in 1994 and 1995. CTT is also obligated to pay at the rate of 7.5% of its revenues, if any, from transferring rights to certain inventions supported by the grant funds. VVI is obligated to pay at rates of 1.5% of its net sales of supported products or 15% of its revenue from licensing supported products, if any. We recognize these obligations only if we receive revenues related to the grant funds. We recognized approximately $2,620 of these obligations in 2008.

Currently, we engage independent consultants who provide us with business development, consulting and/or evaluation services under contracts that are cancelable upon certain written notice. These contracts include contingencies for potential incentive compensation earned solely on sales resulting directly from the work of the consultant. We have neither accrued nor paid significant incentive compensation under such contracts in fiscal 2008 or 2007.

Critical Accounting Estimates

There have been no significant changes in our accounting estimates described under the caption "Critical Accounting Estimates" included in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our Annual report on Form 10-K for the year ended July 31, 2007.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures

Our management, including our President, Chief Executive Officer, and Interim Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of April 30, 2008. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported as specified in the Securities and Exchange Commission's rules and forms. Based on this evaluation, our President, Chief Executive Officer, and Interim Chief Financial Officer concluded that our disclosure controls and procedures were effective as of April 30, 2008.

(b) Change in Internal Controls

There were no changes in our internal control over financial reporting during the quarter ended April 30, 2008, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See Note 10 to the accompanying unaudited condensed consolidated financial statements in Part I of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

There have been no material changes with respect to the risk factors disclosed in our Annual Report on Form 10-K for the fiscal year ended July 31, 2007.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

At the Annual Meeting of Shareholders held April 18, 2008, shareholders voted on the following issues:

- Election of Directors

Election of Directors	For	Withheld
Joel M. Evans, M.D.	6,009,763	725,028
Richard D. Hornidge, Jr.	6,138,905	595,886
Rustin Howard	5,730,224	1,004,567
John B. Nano	6,119,347	615,444
William L. Reali	6,133,127	601,664
Ralph S. Torello	6,004,983	729,808

- Ratification of selection of Mahoney Cohen & Company, CPA, P.C. as the independent public accounting firm:

Accounting Firm	For	Against	Abstained
Mahoney Cohen & Co., CPA, P.C.	6,277,721	306,343	150,727

Item 5. Changes in Registrant's Certifying Accountant

None.

Item 6. Exhibits

31.1 Certification by the Principal Executive and interim Chief Financial Officer of Competitive Technologies, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)).

32.1 Certification by the Principal Executive and interim Chief Financial Officer of Competitive Technologies, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) (furnished herewith).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMPETITIVE TECHNOLOGIES, INC.
(the registrant)

By /s/ John B. Nano.
John B. Nano
Chairman, President, Chief Executive Officer,
Interim Chief Financial Officer, Chief Accounting
Officer and Authorized Signer

June 12, 2008

INDEX TO EXHIBITS

Exhibit No.	Description
31.1	Certification by the Principal Executive and Interim Chief Financial Officer of Competitive Technologies, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)).
32.1	Certification by the Principal Executive and Interim Chief Financial Officer of Competitive Technologies, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) (furnished herewith).

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Exhibit 31.1

CERTIFICATION

I, John B. Nano, Chairman, President, Chief Executive Officer, Interim Chief Financial Officer and Director, certify that:

1. I have reviewed this Report on Form 10-Q of Competitive Technologies, Inc. (the "Company") for the period ending April 30, 2008;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's Board of Directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: June 12, 2008

/s/ John B. Nano
John B. Nano
Chairman, President Chief Executive Officer,
Interim Chief Financial Officer and Chief
Accounting Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. 1350)

In connection with the Report of Competitive Technologies, Inc. (the “Company”) on Form 10-Q for the quarter ended April 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John B. Nano, Chairman, President, Chief Executive Officer, Interim Chief Financial Officer and Chief Accounting Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), that to my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John B. Nano
John B. Nano
Chairman, President, Chief Executive Officer,
Interim Chief Financial Officer and Chief
Accounting Officer

June 12, 2008

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