

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

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended October 31, 2009

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 of 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 ☒ 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 ☒

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

**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 December 14, 2009 was 10,530,012.

COMPETITIVE TECHNOLOGIES, INC.

INDEX TO QUARTERLY REPORT ON FORM 10-Q

<u>PART I. FINANCIAL INFORMATION</u>	<u>Page No.</u>
Item 1. Condensed Consolidated Interim Financial Statements (Unaudited)	
Condensed Consolidated Balance Sheets at October 31, 2009 (unaudited) and July 31, 2009	3
Condensed Consolidated Statements of Operations for the three months ended October 31, 2009 (unaudited) and 2008	4
Condensed Consolidated Statement of Changes in Shareholders' Interest for the three months ended October 31, 2009 (unaudited)	5
Condensed Consolidated Statement of Cash Flows for the three months ended October 31, 2009 (unaudited) and 2008	6
Notes to Condensed Consolidated Interim Financial Statements (unaudited).....	7 - 13
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	14 - 18
Item 3. Quantitative and Qualitative Disclosures About Market Risk	18
Item 4. Controls and Procedures	18-19
 <u>PART II. OTHER INFORMATION</u>	
Item 1. Legal Proceedings.....	20
Item 1A. Risk factors	20
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.....	20
Item 3. Defaults Upon Senior Securities	20
Item 4. Submission of Matters to a Vote of Security Holders	20
Item 5. Other.....	20
Item 6. Exhibits	20
Signatures.....	21
Exhibit Index.....	22

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Interim Financial Statements

COMPETITIVE TECHNOLOGIES, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

	<u>October 31, 2009</u> (Unaudited)	<u>July 31, 2009</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 544,693	\$ 752,071
Receivables, net of allowance of \$101,154 at October 31, 2009 and July 31, 2009	302,743	199,619
Prepaid expenses and other current assets	<u>122,187</u>	<u>206,789</u>
Total current assets	969,623	1,158,479
Property and equipment, net	211,060	203,012
Deferred financing costs, net	<u>260,198</u>	<u>40,000</u>
TOTAL ASSETS	<u>\$ 1,440,881</u>	<u>\$ 1,401,491</u>
Liabilities and Shareholders' Interest		
Current Liabilities:		
Accounts payable	\$ 300,117	\$ 352,543
Accrued expenses and other liabilities	<u>761,432</u>	<u>682,362</u>
Total current liabilities	1,061,549	1,034,905
Deferred Rent	78,780	81,418
Deferred Revenue	16,000	-
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, 10,155,646 and 9,819,027 shares issued and outstanding, respectively	101,556	98,190
Capital in excess of par value	38,639,669	37,887,925
Accumulated deficit	<u>(38,517,348)</u>	<u>(37,761,622)</u>
Total shareholders' interest	<u>284,552</u>	<u>285,168</u>
TOTAL LIABILITIES AND SHAREHOLDERS' INTEREST	<u>\$ 1,440,881</u>	<u>\$ 1,401,491</u>

See accompanying notes

PART I. FINANCIAL INFORMATION (Continued)

COMPETITIVE TECHNOLOGIES, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations
(Unaudited)

	Three months ended October 31,	
	<u>2009</u>	<u>2008</u>
Revenue		
Product sales	\$ 135,096	\$ -
Retained royalties	9,001	26,620
Investment income	30	5,356
Other income	-	71,825
	<u>144,127</u>	<u>103,801</u>
Expenses		
Personnel and other direct expenses relating to revenue	442,393	678,645
General and administrative expenses	456,291	791,171
Patent enforcement expenses, net of reimbursements	-	2,085
Insurance recovery	-	(400,000)
Interest expense	1,169	-
	<u>899,853</u>	<u>1,071,901</u>
(Loss) before income taxes	(755,726)	(968,100)
Provision (benefit) for income taxes	-	-
Net (loss)	<u>\$ (755,726)</u>	<u>\$ (968,100)</u>
Basic and diluted (loss) per share	<u>\$ (0.08)</u>	<u>\$ (0.12)</u>
Basic and diluted weighted average number of common shares outstanding:	9,885,432	8,212,461

See accompanying notes

PART I. FINANCIAL INFORMATION (Continued)

COMPETITIVE TECHNOLOGIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statement of Changes in Shareholders' Interest
For the Three Months Ended October 31, 2009
(Unaudited)

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Capital in excess of par value</u>	<u>Accumulated deficit</u>	<u>Total shareholders' interest</u>
	<u>Shares outstanding</u>	<u>Amount</u>	<u>Shares outstanding</u>	<u>Amount</u>			
Balance – July 31, 2009	2,427	\$ 60,675	9,819,027	\$ 98,190	\$ 37,887,925	\$(37,761,622)	\$ 285,168
Net (loss)						(755,726)	(755,726)
Compensation expense from stock option grants					59,082		59,082
Issuance of Fusion initial commitment shares			86,933	869	211,247		212,116
Sale of shares to Fusion			249,686	2,497	522,505		525,002
Amortization of deferred financing costs					(41,090)		(41,090)
Balance – October 31, 2009 (Unaudited)	<u>2,427</u>	<u>\$ 60,675</u>	<u>10,155,646</u>	<u>\$ 101,556</u>	<u>\$ 38,639,669</u>	<u>\$(38,517,348)</u>	<u>\$ 284,552</u>

See accompanying notes

PART I. FINANCIAL INFORMATION (Continued)

COMPETITIVE TECHNOLOGIES, INC. AND SUBSIDIARIES

Condensed Consolidated Statement of Cash Flows (Unaudited)

	Three months ended October 31,	
	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Net (loss)	\$ (755,726)	\$ (968,100)
Non-cash and other expenses (income) in net loss:		
Depreciation and amortization	13,952	16,218
Deferred rent	(2,638)	1,516
Share-based compensation – stock options	59,082	52,275
Accrued stock contribution	12,500	37,500
Changes in assets and liabilities:		
Receivables	(103,124)	(131,597)
Prepaid expenses and other assets	84,602	70,372
Receipt of Customer Deposits	109,000	-
Accounts payable, accrued expenses and other liabilities	<u>(78,856)</u>	<u>(262,660)</u>
Net cash (used in) operating activities	<u>(661,208)</u>	<u>(1,184,476)</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(22,000)</u>	<u>(1,490)</u>
Cash flows from financing activities:		
Proceeds from sale of stock	525,002	100,001
Deferred finance charges	<u>(49,172)</u>	<u>(5,671)</u>
Net cash provided by financing activities	<u>475,830</u>	<u>94,330</u>
Net (decrease) in cash and cash equivalents	(207,378)	(1,091,636)
Cash and cash equivalents at beginning of period	<u>752,071</u>	<u>2,237,095</u>
Cash and cash equivalents at end of period	<u>\$ 544,693</u>	<u>\$ 1,145,459</u>

Supplemental disclosure of non-cash transactions:

On October 2, 2009 the Company issued 86,933 registered shares of Common Stock valued at \$212,116 to Fusion Capital II, LLC ("Fusion Capital") as initial commitment shares per our equity financing agreement, dated August 6, 2009.

During the first quarter of fiscal 2010, we amortized \$41,090 of deferred financing costs related to our equity financing agreement against Capital in Excess of Par Value.

See accompanying notes

PART I. FINANCIAL INFORMATION (Continued)

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 subsidiary, CTT Trading Company, LLC ("CTT Trading"), and majority-owned subsidiary, Vector Vision, Inc. ("VVI"), collectively, "we" or "us" provide patent and technology licensing and commercialization services throughout the world, with concentrations in the U.S. and Asia, with respect to a broad range of life and physical sciences, electronics, and nanotechnologies originally invented by individuals, corporations and universities. We are compensated for our services by sharing in the profits of distribution or the license and royalty fees generated from successful licensing of clients' technologies.

The consolidated financial statements include the accounts of CTT, CTT Trading, and VVI. Inter-company accounts and transactions have been eliminated in consolidation.

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 U.S. The results for the three months ended October 31, 2009 are not necessarily indicative of the results that can be expected for the full fiscal year ending July 31, 2010.

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, 2009, filed on October 27, 2009.

The Company has incurred operating losses since fiscal 2006. At current reduced spending levels, the Company may not have sufficient cash flow to fund operating expenses beyond fiscal 2010. 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. The company does not have any significant individual cash or capital requirements in the budget going forward. 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 and distribution opportunities for our remaining portfolio of technologies. In addition, we will sell shares to Fusion Capital Fund II, LLC ("Fusion Capital") per our August 6, 2009 Agreement, on an as-needed basis, when the Company's stock price is at or above \$1.00 per share. There can be no assurance that the Company will be successful in these revenue-generating efforts or that we will be able to obtain alternative financing should our stock price fall below \$1.00 per share. In addition, should the company be delisted by the NYSE Amex ("the exchange") and be unable to obtain listing with another exchange, the company will not be able to sell shares to Fusion Capital (See Note 11). Failure to develop a recurring revenue stream sufficient to cover operating expenses would negatively affect the Company's financial position.

Our liquidity requirements arise principally from our working capital needs, including funds needed to find and obtain new technologies or products, and 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. In addition, we have the ability to fund our requirements through sales of common stock under the Fusion Capital Agreement. At October 31, 2009, we had no outstanding debt, and no credit facility.

Our current recurring revenue stream is insufficient for us to be profitable with our present cost structure. To return to profitability we earned in 2005 and sustain profitability, we expect to increase recurring revenue by successfully licensing technologies with current and long-term revenue streams, and continue to build our portfolio of innovative technologies. We significantly reduced overhead costs with staff reductions across all company departments, reduced extraneous litigations, and obtained new technologies to build revenue. We will continue to monitor our cost structure, and expect to operate within our generated revenue, cash balances and funding from Fusion Capital.

In fiscal 2008, distribution agreements granted country-exclusive rights to Excel Life Sciences, Inc. for India. In fiscal 2009, additional distribution agreements granted country-exclusive rights to a number of other distributors, both internationally and in the U.S. Each distributor is required to obtain local sales authorization. During the First quarter of 2010, a distribution agreement granted country-exclusive rights to Fintrade Medical for Greece and Cyprus. Also, as agreed in October 2009, Calmar Pain Relief, LLC, is renting two devices for treating patients in its North Providence, RI pain clinic, which opened in November 2009. Additional sales are anticipated from both organizations in subsequent quarters of fiscal 2010.

2. NET LOSS PER COMMON SHARE

The following sets forth the denominator used in the calculations of basic net income (loss) per share and net income (loss) per share assuming dilution:

	Quarter ended October 31,	
	2009	2008
Denominator for basic net income (loss) per share, weighted average shares outstanding	9,885,432	8,212,461
Dilutive effect of common stock options	N/A	N/A
Denominator for net income (loss) per share, assuming dilution	9,885,432	8,212,461

Options to purchase 770,750 and 795,750 shares of our common stock at October 31, 2009 and 2008, respectively, were outstanding but were not included in the computation of net income (loss) per share because they were anti-dilutive. Due to the net loss incurred for the quarters ended October 31, 2009 and 2008, the denominator used in the calculation of basic net loss per share was the same as that used for net loss per share, assuming dilution, since the effect of any options and warrants would have been anti-dilutive.

3. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Fair Value. In 2006, the Financial Accounting Standards Board (“FASB”) issued a new accounting standard which defined fair value, established a market based framework or hierarchy for measuring fair value and expanded disclosures about fair value measurements. We partially adopted this standard in fiscal 2009 and fully adopted it in the first quarter of fiscal 2010. This standard is applicable whenever another accounting standard requires or permits assets and liabilities to be measured at fair value and did not expand or require any new fair value measures. The adoption of this standard did not have a material effect on our financial condition or results of operations.

Transfers of Financial Assets. In June 2009, the FASB issued a new accounting standard that eliminates the exceptions for qualifying special-purpose entities from consolidation guidance and the exception that permitted sale accounting for certain mortgage securitizations when a transferor has not surrendered control over the transferred financial assets. This standard is effective as of the beginning of the first annual reporting period that begins after November 15, 2009. The Company is currently evaluating the impact this standard will have on the financial statements.

Variable Interest Entities. In June 2009, the FASB issued a new accounting standard that requires an enterprise to perform an analysis to determine whether the enterprise’s variable interest or interests give it a

controlling financial interest in a variable interest entity. This analysis identifies the primary beneficiary of a variable interest entity as the enterprise that has both of the following characteristics: (1) the power to direct the activities of the variable interest entity that most significantly impact the entities economic performance, and (2) the obligation to absorb losses of the entity that could potentially be significant to the variable interest entity or the right to receive benefits from the entity that could potentially be significant to the variable interest entity. Additionally, an enterprise is required to assess whether it has an implicit financial responsibility to ensure that a variable interest entity operates as designed when determining whether it has the power to direct the activities of the variable interest entity that most significantly impact the entity's economic performance. This standard is effective as of the beginning of the first annual reporting period that begins after November 15, 2009. Earlier application is prohibited. The Company is currently evaluating the impact the adoption this standard will have on the financial statements.

4. RECEIVABLES

Receivables consist of the following:

	<u>October 31, 2009</u>	<u>July 31, 2009</u>
Royalties, net of allowance of \$101,154 at October 31, 2009 and July 31, 2009	\$ 204,869	\$ 88,023
Advance to GEOMC Co. Ltd.	90,559	107,989
Other	<u>7,315</u>	<u>3,607</u>
Total receivables	<u>\$ 302,743</u>	<u>\$ 199,619</u>

GEOMC Co. Ltd., as a commercialization partner, has invested in a production line for the pain management medical device, and is building inventory for sales expected to occur in the second quarter of fiscal 2010. The company will receive payment of the advance as machines are shipped to our distributors.

5. AVAILABLE-FOR-SALE AND 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:

	<u>October 31, 2009</u>	<u>July 31, 2009</u>	<u>Number of shares</u>	<u>Type</u>
Security Innovation, Inc.	-	-	223,317	Common Stock
	<u>\$ -0-</u>	<u>\$ -0-</u>		

We held shares in NTRU, a privately held company that sold encryption software for security purposes, principally in wireless markets. There was no public market for NTRU shares. On July 22, 2009, all NTRU assets were acquired by Security Innovation, an independent provider of secure software located in Wilmington, MA. We have been advised that the shares of NTRU have been exchanged for 223,317 shares of stock in the privately held Security Innovation.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts reported in our Condensed Consolidated Balance Sheet for Accounts Receivable, Accounts Payable and Accrued Expenses and Other Liabilities approximate fair value due to the immediate to short term maturity of those financial instruments.

7. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other assets consist of the following:

	<u>October 31, 2009</u>	<u>July 31, 2009</u>
Prepaid insurance	\$ 78,249	\$ 125,198
Prepaid investor relations service	20,000	20,000
Prepaid employee benefits	-	18,158
Other	23,938	43,433
Prepaid expenses and other current assets	<u>\$ 122,187</u>	<u>\$ 206,789</u>

8. PROPERTY AND EQUIPMENT

Property and equipment, net, consist of the following:

	<u>October 31, 2009</u>	<u>July 31, 2009</u>
Equipment and furnishings	\$ 441,802	\$ 419,802
Leasehold improvements	113,838	113,838
Property and equipment, gross	555,640	533,640
Accumulated depreciation and amortization	(344,580)	(330,628)
Property and equipment, net	<u>\$ 211,060</u>	<u>\$ 203,012</u>

Depreciation expense was \$13,952 and \$16,218, during the first quarter of fiscal 2010 and 2009, respectively.

9. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities consist of the following:

	<u>October 31, 2009</u>	<u>July 31, 2009</u>
Royalties payable	\$ 31,059	\$ 54,093
Deferred Executive Payroll	162,269	126,538
Accrued 401(K) contribution	62,500	50,000
Accrued Directors' Stock Option Compensation	30,000	30,000
Other accrued compensation	16,943	-
Accrued audit fees	134,664	100,000
Accrued legal fees	147,678	197,214
Other accrued professional fees	9,375	7,500
Accrued Directors Fees	4,833	59,833
Customer Deposit	85,000	-
Unclaimed property liability	25,431	25,431
Deferred Revenue	8,000	-
Other	43,680	31,753
Accrued expenses and other liabilities	<u>\$ 761,432</u>	<u>\$ 682,362</u>

10. DEFERRED REVENUE

During October of 2009, the company entered into an agreement to rent two of our Calmare Therapy Treatment pain therapy devices. The monthly rental amount is \$2,400 for both devices and the terms are month to month. The agreement required our customer to make a non-refundable upfront payment of \$24,000. We will amortize this upfront payment into income over a period of three years, which is the expected life of the agreement. The current portion of this payment is \$8,000; the long-term portion is \$16,000. None of this upfront payment was amortized in the first quarter of fiscal 2010.

11. SHAREHOLDERS' EQUITY AND STOCK-BASED COMPENSATION PLANS

During the first quarter of fiscal 2010, the company recognized expense of \$59,082 for stock options issued to employees in prior years.

On July 22, 2008, we entered into an agreement with Fusion Capital to sell up to \$5.0 million of our common stock to Fusion Capital over a 24-month period (the "2008 Agreement"). We had the right to determine the timing and the amount of stock sold, if any, to Fusion Capital. On August 5, 2009, we terminated that 2008 Agreement.

On August 6, 2009, we entered into another agreement with Fusion Capital to sell up to \$8.0 million of our common stock to Fusion Capital over a 25-month period (the "2009 Agreement"). We have the right to determine the timing and the amount of stock sold, if any, to Fusion Capital.

Under the terms of the 2009 Agreement, we issued 86,933 registered shares of our common stock to Fusion Capital on October 2, 2009 for its initial commitment (the "Initial Commitment Shares"), and agreed to issue 86,933 Additional Commitment Shares (the "Additional Commitment Shares") to Fusion Capital on a pro-rata basis as we sell the \$8.0 million of stock (collectively, the "Commitment Shares"). Commencement of sales of common stock under the 2009 Agreement was contingent upon certain conditions, principally the Securities and Exchange Commission ("SEC") declaring effective our registration statement filed with the SEC to register 1,962,823 shares of common stock potentially to be issued under the 2009 Agreement. On October 1, 2009 the SEC declared our registration statement effective.

Subject to our right to suspend sales of our common stock at any time and to terminate the 2009 Agreement at any time, Fusion Capital is obligated to purchase up to \$75,000 of our common stock each two business days (the "Base Purchase Amount"). No sales will be made below a \$1.00 per share floor price. The sale price per share will be the lower of the lowest sales price on the sale date or an average of the three lowest closing prices during the 12 consecutive trading days prior to the sale date.

Fusion Capital may not purchase shares of our common stock under the 2009 Agreement if Fusion Capital would beneficially own in excess of 19.99% of our common stock outstanding at the time of purchase. Fusion Capital has agreed not to sell the Commitment Shares for 25 months or termination of the 2009 Agreement.

During the first quarter of fiscal 2010, the Company sold 243,981 shares of common stock, and issued 5,705 additional commitment shares to Fusion Capital per the terms of the 2009 Agreement. Total proceeds realized from these sales were approximately \$525,000. In addition, we amortized approximately \$41,090 of deferred charges against capital in excess of par value. We are amortizing deferred financing costs based upon the ratio of shares issued compared to the total number of shares available for sale in the 2009 Agreement.

On December 2, 2008, we received notice from the NYSE Amex, then known as NYSE Alternext US LLC (the "Exchange"), notifying us that the staff of the Exchange Corporate Compliance Department had determined that the Company Form 10-K for the fiscal year ended July 31, 2008 did not meet continued listing standards as set forth in Part 10 of the Exchange Company Guide, and the Company has therefore become subject to the procedures and requirements of Section 1009 of the Exchange Company Guide. As noted in Section 1003 of the Exchange Company Guide, companies with stockholders' equity of less than \$2 million, and losses from continuing operations and net losses in two out of its three most recent fiscal years, or with stockholders' equity of less than \$4 million and losses from continuing operations and net losses in three out of its four most recent fiscal years are non-compliant.

On December 18, 2008, the company submitted a business plan to the Exchange detailing actions it will take to bring it into compliance with the above continued listing standards by June 2, 2010. On January 22, 2009, the Exchange accepted our business plan.

The Company will continue its listing during the plan period up to June 2, 2010, during which time it will be subject to periodic review to determine whether it is making progress consistent with the plan. If the Company is not in compliance with the continued listing standards at the conclusion of the plan period or does not make progress consistent with the plan during the plan period, the Exchange staff will initiate delisting procedures as appropriate. The Company is allowed to appeal a staff determination to initiate delisting proceedings in accordance with Section 1010 and Part 12 of the Exchange Company Guide. Per the 2009 Agreement with Fusion Capital, should we be delisted from the exchange and unable to obtain listing with another exchange, we will be unable to sell shares to Fusion Capital.

12. CONTINGENCIES

Carolina Liquid Chemistries Corporation, et al. (Case pending) – 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 patent 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. As we became aware of other infringers, we 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 in Colorado ruled that both 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") to re-evaluate the validity of our patent and this request was granted by the USPTO on December 14, 2006. On July 30, 2009, the U.S. Patent and Trademark Office's Board of Patent Appeals and Interferences (BPAI) upheld the homocysteine patent. In September 2008, the patent had been denied by the examiner, but that denial was overruled by the BPAI. Further action in this case is pending as the BPAI result has been appealed by the examiner prior to being returned to the U.S District Court for the District of Colorado. We filed information refuting the examiner's appeal and await the BPAI appeal decision.

Ben Marcovitch and other co-defendants (Case completed) – Following the removal for cause from our Board of Directors of former CTT Director Ben Marcovitch, CTT 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 claimed that false and misleading information had been provided to CTT in a conspiracy to fraudulently obtain funds from CTT using the Agrofrut transaction. CTT requested, among other relief, punitive damages and attorneys' fees.

Following a number of pretrial motions and other delays, on September 8, 2009, the Judge ruled favorably on CTT's motion for default judgment. The judge confirmed that Marcovitch was properly removed as a member of CTT's Board of Directors and issued a permanent injunction prohibiting Marcovitch from holding himself out as a member of CTT's Board. A judgment was entered against Strauss prohibiting Strauss from soliciting proxies in contravention of the SEC rules and regulations. Based on the Court's rulings, CTT will now proceed to collect all funds possible from the parties.

Employment matters – former employee (Cases pending) – In September 2003, a former employee filed a whistleblower complaint with OSHA alleging that the employee had been terminated for engaging in conduct protected under the Sarbanes Oxley Act of 2002 (SOX). In February 2005, OSHA found probable cause to support the employee's complaint and ordered reinstatement and payment of damages. CTT filed objections and requested a de novo hearing before an Administrative Law Judge ("ALJ"). Based on evidence submitted at the May 2005 hearing, in October 2005 the ALJ issued a written decision recommending dismissal of the employee's claim without relief. The employee then appealed the case to the Administrative Review Board ("ARB"). In March 2008, the ARB issued a decision and order of remand, holding that the ALJ erred in shifting the burden of proof to CTT based on a mere inference of discrimination and remanding the case to the ALJ for clarification of the judge's analysis under the appropriate burden of proof. In January 2009, the ALJ ruled in favor of CTT on the ARB remand. The employee has now appealed the January 2009 ALJ ruling to the ARB and we await the ARB's decision. The employee had

previously requested reconsideration of the ARB order of remand based on the Board's failure to address the employee's appeal issues; that request was denied by the ARB in October 2008.

In August 2007, the same former employee filed a new SOX whistleblower complaint with OSHA alleging that in April 2007 CTT and its former general counsel retaliated against the employee for past-protected conduct by refusing to consider the employee's new employer when awarding a consulting contract. In March 2008, OSHA dismissed the employee's complaint citing the lack of probable cause. The employee filed objections and requested de novo review by an ALJ. In August 2008, the employee gave notice of intent to terminate proceedings before the ALJ and remove the case to federal district court. In October 2008, the former employee moved to voluntarily dismiss with prejudice the case before the ALJ. We anticipate no further action on this matter.

On September 5, 2008, CTT filed a complaint in the U.S. District Court for the District of Connecticut against the former employee seeking a declaration that CTT did not violate SOX as alleged in the employee's 2007 OSHA complaint, and to recover approximately \$80,000 that CTT paid to the employee in compliance with a court order that was subsequently vacated by the U.S. Court of Appeals for the Second Circuit. On July 1, 2009, the judge ruled in favor of the former employee's motion to dismiss. The court abstained from ruling on the question of unjust enrichment due to the unresolved questions before the Department of Labor Administrative Review Board.

On December 4, 2008, the former employee filed a complaint with the Department of Labor asking to have the Connecticut case dismissed. On June 1, 2009, the Department dismissed the former employees complaint, finding that "there is no reasonable cause to believe that the Respondent (CTT) violated SOX". We anticipate no further action on this matter.

Summary – We may be a party to other legal actions and proceedings from time to time. We are unable to estimate legal expenses or losses we may incur, if any, or possible damages we may recover, and have not recorded any potential judgment losses or proceeds in our financial statements to date. We record expenses in connection with these suits as 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 potential and actual 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 significant legal fees and other costs to defend or prosecute any of these actions and proceedings may, depending on the amount and timing, have a material adverse effect on our consolidated financial position, results of operations or cash flows in a particular period.

13. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through December 14, 2009, which is the date financial statements were issued, and has concluded that no such events or transactions took place which would require disclosure herein.

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 herein, 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, 2009, filed with the Securities and Exchange Commission ("SEC") on October 27, 2009, 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

Competitive Technologies, Inc. ("CTT"), was incorporated in Delaware in 1971, succeeding an Illinois corporation incorporated in 1968. CTT and its subsidiaries (collectively, "we," "our," or "us"), provide distribution, patent and technology transfer, sales and licensing services focusing on the needs of our customers, matching those requirements with commercially viable technology or product solutions. We develop relationships with universities, companies, inventors and patent or intellectual property holders to obtain the rights or a license to their intellectual property (collectively, the "technology" or "technologies"), or to their product. They become our clients, for whom we find markets to sell or further develop or distribute their technology or product. We also develop relationships with those who have a need or use for technologies or products. They become our customers, usually through a license or sublicense, or distribution agreement.

We earn revenue in two ways, from licensing our clients' and our own technologies to our customer licensees, and in a business model that allows us to share in the profits of distribution of finished products. Our customers pay us license fees, royalties based on usage of the technology, or per unit fees, and we share that revenue with our clients. Our revenue fluctuates due to changes in revenue of our customers, upfront license fees, new licenses granted, new distribution agreements, expiration of existing licenses or agreements, and/or the expiration or economic obsolescence of patents underlying licenses or products.

We acquire rights to commercialize a technology or product on an exclusive or non-exclusive basis, worldwide or limited to a specific geographic area. When we license or sublicense those rights to our customers, we may limit rights to a defined field of use. Technologies can be early, mid, or late stage. Products we evaluate must be a working prototype or finished product. We establish channel partners based on forging relationships with mutually aligned goals and matched competencies, to deliver solutions that benefit the ultimate end-user.

Presentation

We rounded all amounts in this Item 2 to the nearest thousand dollars, except per share data. Certain amounts may not total precisely.

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

The Company has incurred operating losses since fiscal 2006. We continue to seek revenue from new technologies or products to replace revenues from expiring licenses. At current reduced spending levels, the Company may not have sufficient cash flow to fund operating expenses beyond fiscal 2010. 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 and distribution opportunities for our remaining portfolio of technologies. The company does not have any significant individual cash or capital requirements in the budget going forward. In addition, we will sell shares to Fusion Capital per our August 6, 2009 Agreement, on an as-needed basis, when the Company's stock price is at or above \$1.00 per share. There can be no assurance that the Company will be successful in these efforts or that we will be able to obtain alternative financing should our stock price fall below \$1.00 per share. Failure to develop a recurring revenue stream sufficient to cover operating expenses would negatively affect the Company's financial position. In addition, should the company be delisted by the NYSE Amex ("the exchange") and be unable to obtain listing with another exchange, the company will not be able to sell shares to Fusion Capital (See Note 11).

Results of Operations – Three months ended October 31, 2009 ("first quarter 2010") vs. three months ended October 31, 2008 ("first quarter 2009")

Summary of Results

We incurred a net loss of \$756,000 or \$0.08 per share for the first quarter 2010, compared to a net loss of \$968,000 or \$0.12 per share for the first quarter 2009, a 22% decrease in net loss of \$212,000, or \$0.04 per share. As explained in detail below, the decrease in the net loss reflects a decrease of \$172,000 in expenses and an increase in revenue of \$40,000.

Revenue

In the first quarter 2010, total revenue was \$144,000, compared to \$104,000 for the first quarter 2009, a 38% increase or \$40,000.

We actively market existing technologies, and seek new technologies to grow the revenue stream. In fiscal 2009, we created a new business model for appropriate technologies that allows us to move beyond our usual royalty arrangement and share in the profits of distribution.

Product sales for the first quarter of fiscal 2010 were for the sale and shipment of 12 Calmare[®] Therapy Treatment pain therapy management devices. There were no sales of this device in the first quarter of fiscal 2009.

Retained royalties for the first quarter 2010 were \$9,000, which was \$18,000, or 67% less than the \$27,000 of retained royalties reported in the first quarter 2009. The main reason for the decrease was the expiration of the patent on our novel infectious bursal disease virus vaccine during the second quarter of fiscal 2009. We had recorded \$15,000 of royalties from this technology in the first quarter of fiscal 2009.

In the first quarter of fiscal 2009 we recorded \$71,000 revenue from a one-time sale of our flip chip patent.

Investment income includes dividends and interest earned on our invested cash. Investment income was \$0 in the first quarter 2010, which was a decrease of \$5,000, or 100% from the \$5,000 reported for the first quarter 2009. The decrease was primarily due to lower invested balances for the current quarter as compared to the prior year quarter.

Expenses

	<i>For the three months ended October 31,</i>			
	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Personnel and other direct expenses				
relating to revenue	\$ 442,000	\$ 679,000	\$ (237,000)	(35)
General and administrative expenses	456,000	791,000	(335,000)	(42)
Patent enforcement expenses net				
of reimbursements	-	2,000	(2,000)	(100)
Interest expense	1,000	-	1,000	100
Insurance recovery	-	(400,000)	400,000	100
Total expenses	<u>\$ 899,000</u>	<u>\$ 1,072,000</u>	<u>\$ (173,000)</u>	<u>(16)</u>

Total expenses decreased \$173,000 or 16% in the first quarter 2010, compared to the first quarter 2009.

Personnel and other direct expenses relating to revenue decreased a net \$237,000 or 35% in the first quarter 2010, compared to the first quarter 2009. Payroll and related benefits are lower in the first quarter of fiscal 2010 (\$73,000) as a result of reducing full-time equivalent headcount from 12 to 9. In addition, we recorded \$12,000 in severance during the first quarter of fiscal 2009, while there were no headcount reductions resulting in severance payments in the first quarter of fiscal 2010. During the first quarter of fiscal 2010, costs to commercialize our pain management device were \$106,000 less than in the first quarter of fiscal 2009. Most of the costs incurred in the prior year were paid to consultants who assisted us with the FDA approval process. FDA clearance was obtained in February 2009, so these types of costs going forward will be greatly reduced. Costs for the employer contribution to our 401(k) plan were \$25,000 less than in the first quarter of fiscal 2009. We are currently accruing costs assuming a \$50,000 contribution for fiscal 2010. During the first quarter of fiscal 2009 we were accruing costs assuming a \$150,000 annual contribution. Consulting costs are \$37,000 less in the first quarter of fiscal 2010 as management has made a concerted effort to reduce unnecessary expenses. These decreases in costs were offset by \$15,000 of recruiting costs incurred in the first quarter of fiscal 2010. The company is actively seeking a sales person to help implement the company's business plan for our pain management technology.

General and administrative expenses decreased a net \$335,000 in the first quarter 2010, compared to the first quarter 2009. The decrease is primarily due to reductions in legal fees of \$245,000, as a result of less active litigation; a \$20,000 reduction in directors and officers liability insurance as a result of lower premiums; and \$80,000 lower costs for our SOX compliance program. This was obtained because most of the work for fiscal 2009 was performed by our outside consultants before year-end. For fiscal 2008, our outside consultants performed most of their work in the first quarter of fiscal 2009.

Patent enforcement expenses, net of reimbursements, decreased a net \$2,000 in the first quarter 2010, compared to the first quarter 2009. Patent enforcement expenses vary, depending on the activity relating to outstanding litigation.

Interest expense in the first quarter of fiscal 2010 was incurred as a result of our landlord allowing us to defer certain rent payments while we are in the process of commercializing our pain therapy device. No interest expense should be incurred after December 31, 2009.

Insurance recovery in the first quarter of fiscal 2009 represents settlement of our action against Federal Insurance to cover our loss in the Agrofrut transaction.

Financial Condition and Liquidity

Our liquidity requirements arise principally from our working capital needs, including funds needed to find and obtain new technologies or products, and 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. In addition, we have the ability to fund our requirements through sales of common stock under the Fusion Capital agreement. At October 31, 2009, we had no outstanding debt or credit facility.

We believe we will successfully license new technologies and collect due, but unpaid, royalties on existing licenses to add revenue. Although there can be no assurance that we will be successful in these efforts, we believe the combination of our cash on hand, the ability to raise funds from sales of our common stock under the Fusion Capital agreement, and revenue from executing our strategy will be sufficient to meet our obligations of current and anticipated operating cash requirements. In fiscal 2010, we will raise cash through sale of stock to Fusion Capital as needed, when our stock price is at or above \$1.00. If necessary, we will meet anticipated operating cash requirements by further reducing costs, and/or the sales of certain assets and technologies while we pursue licensing opportunities for our remaining portfolio of technologies. In addition, should the company be delisted by the NYSE Amex ("the exchange") and be unable to obtain listing with another exchange, the company will not be able to sell shares to Fusion Capital (See Note 11).

In late fiscal 2007, we obtained exclusive worldwide distribution rights to a non-invasive pain management therapy device for rapid treatment of high-intensity oncologic and neuropathic pain, including pain resistant to morphine and other drugs. Developed in Italy by CTT's client, Prof. Giuseppe Marineo, DSc, MD, the technology was brought to CTT through the efforts of Prof. Giancarlo Elia Valori of the Italian business development group, Sviluppo Lazio S.p.A., and assistance from the Zangani Investor Community™. The unit, with a biophysical rather than a biochemical approach, uses a multi-processor able to simultaneously treat multiple pain areas by applying surface electrodes to the skin. The device's European CE mark certification allows it to be distributed and sold throughout Europe, and makes it eligible for approval for distribution and sales in multiple global markets. U.S. FDA 510(k) clearance for the device was awarded in February 2009, opening the door to U.S. sales. CTT partner GEOMC Co., Ltd. of Korea is manufacturing the product commercially for worldwide distribution.

In fiscal 2008, distribution agreements granted country-exclusive rights to Excel Life Sciences, Inc. for India. In fiscal 2009, additional distribution agreements granted country-exclusive rights to a number of other distributors, both internationally and in the U.S. Each distributor is required to obtain local sales authorization. During the First quarter of 2010, a distribution agreement granted country-exclusive rights to Fintrade Medical for Greece and Cyprus. Calmar Pain Relief, LLC, is renting two devices for treating patients in its North Providence, RI pain clinic, set to open in November 2009. Additional sales are anticipated from both organizations in subsequent quarters of fiscal 2010.

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 October 31, 2009, cash and cash equivalents were \$545,000 compared to \$752,000 at July 31, 2009. The loss of \$756,000 for the first three months of fiscal 2010 contained non-cash charges of \$83,000 and reduction in assets and liabilities of \$12,000, resulting in cash used in operations of \$661,000. Capital expenditures for the first quarter of fiscal 2010 were \$22,000. We sold shares to Fusion Capital per our equity financing agreement totaling \$525,000. These activities reduced cash by \$207,000. As of December 14, 2009, our cash and cash equivalents balance is \$1.0 million.

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

We continue to seek revenue from new technology licenses to mitigate the concentration of revenue, and replace revenue from expiring licenses. We have created a new business model for appropriate technologies that allows us to move beyond our usual royalty arrangement and share in the profits of distribution.

For fiscal 2010, we expect our capital expenditures to be less than \$50,000.

Contractual Obligations and Contingencies

There have been no substantial changes to our contractual obligations since July 31, 2009.

Contingencies. 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 October 31, 2009, CTT and its majority owned subsidiary, Vector Vision, Inc. ("VVI"), have remaining obligations, contingent upon receipt of certain revenue, to repay up to \$199,006 and \$204,708, 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 revenue, 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 revenue related to the grant funds. We recognized approximately \$475 of these obligations in the first quarter of fiscal 2010.

We engage independent consultants who provide us with business development and/or evaluation services under contracts that are cancelable on certain written notice. These contracts include contingencies for potential incentive compensation earned solely on sales resulting directly from the work of the consultant. For the first quarter of fiscal 2009, we neither accrued nor paid significant incentive compensation under such contracts. For fiscal 2010, we recorded approximately \$11,000 of contingent incentive compensation expense in the first quarter.

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, 2009.

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 Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) as of October 31, 2009. Our disclosure controls and procedures are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Act (15 U.S.C. 78a *et seq.*) is recorded, processed, summarized, and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our President, Chief Executive Officer, and Interim Chief Financial Officer concluded that our disclosure controls and procedures, except as noted below, were effective as of October 31, 2009.

(b) Change in Internal Controls

There were no changes in our internal control over financial reporting for the period ending October 31, 2009, 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 Part I, Note 12 to the accompanying unaudited condensed consolidated financial statements 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, 2009.

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

None

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

December 14, 2009

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
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).

CERTIFICATION

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

1. I have reviewed this Report on Form 10-Q of Competitive Technologies, Inc. (the "Company") for the period ending October 31, 2009;
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.
 - (d) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting procedures.
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: December 14, 2009

/s/ John B. Nano

John B. Nano

Chairman, President, Chief Executive Officer,
Interim Chief Financial Officer and Chief
Accounting Officer

**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 October 31, 2009, 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

December 14, 2009



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TECHNOLOGIES**
Unlocking the Potential of Innovation®

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