

COMPETITIVE TECHNOLOGIES INC  
Form 10-K/A  
March 04, 2011

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

FORM 10-K  
Amendment No. 1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF  
1934  
FOR THE FISCAL YEAR ENDED JULY 31, 2010

Commission file number 1-8696

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\*----- COMPETITIVE  
\*\*\*\*\* TECHNOLOGIES  
\*\*===== Unlocking the Potential of Innovation (R)  
\*\*=====\*\*  
\*\*\*\*\*  
\* (R) Technology Transfer and Licensing Services

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

1375 Kings Highway East, Fairfield, Connecticut 06824  
-----  
(Address of principal executive offices)

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

Delaware 36-2664428  
-----  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class -----	Name of Each Exchange on which Registered -----
Common Stock (\$.01 par value)	OTCQX

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.  
Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required

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to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

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 checkmark whether the registrant is a shell company (as defined in Rule 126-2 of the Act)

Yes  No

The aggregate market value of the common equity held by non-affiliates of the registrant as of January 31, 2010 (the last business day of the registrant's most recently completed second fiscal quarter) was \$15,335,024

The number of shares of the registrant's common stock outstanding as of October 25, 2010, was 13,824,944 shares.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A revises the Annual Report on Form 10-K for the year ended July 31, 2010 of Competitive Technologies, Inc., initially filed on October 27, 2010 (the "Form 10-K"). The revisions are in response to comments received from the SEC.

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PART I

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 herein, the words "may," "will," "should," "anticipate," "believe," "appear," "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 this Annual Report on Form 10-K for the year ended July 31, 2010, 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.

ITEM 1. BUSINESS

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OVERVIEW:

Competitive Technologies, Inc. ("CTTC"), was incorporated in Delaware in 1971, succeeding an Illinois corporation incorporated in 1968. CTTC 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 three ways, retained royalties from licensing our clients' and our own technologies to our customer licensees, product sales fees in a business model that allows us to share in the profits of distribution of finished products, and sales of inventory. 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. We currently maintain a small inventory of our Calmare pain therapy medical device and we recognize revenue from those sales as devices are shipped to our customers.

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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 working prototypes or finished products. We establish channel partners based on forging relationships with mutually aligned goals and matched competencies to deliver solutions that benefit the ultimate end-user.

The Company incurred an operating loss for fiscal 2010, as well as an operating loss in fiscal 2009. We continue to seek revenue from new technologies or products 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 2011. 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

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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. Failure to develop a recurring revenue stream sufficient to cover operating expenses would negatively affect the Company's financial position.

On September 3, 2010, the Company's securities began trading on the OTCQB marketplace under the ticker symbol CTTC, having been delisted from the NYSE Amex (the "Exchange"). The delisting followed an 18-month period during which the Company sought to regain compliance with the Exchange's continued listing standards as set forth in Part 10 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. We were only non-compliant with the stockholders' equity component.

Despite arguments made at an oral hearing at which the Company sought to remain listed, the Exchange Listing Qualifications Panel affirmed the Exchange Staff's determination to delist the Company's securities. After trading on the OTCQB for a month, on October 5, 2010, the Company's securities began trading on the OTC market's top tier, the OTCQX.

### PRODUCT DISTRIBUTION SERVICES

Our services are beneficial to the inventor, manufacturer and distributor of the product. We evaluate a working prototype or finished product for marketability. We find opportunities through industry connections and contacts,

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and trade shows. We select products we will represent, negotiate with potential domestic and international distributors, and sign agreements on a country and/or area exclusive basis. We earn revenue on a per-unit basis through product distribution agreements. We share the revenue with the product inventor, and/or manufacturer.

### TECHNOLOGY COMMERCIALIZATION SERVICES

Our services are beneficial to the provider and user of the technology. The technology client can focus on research and development, rather than selling and marketing, as we effectively become their marketing department. The technology customer can focus on selling and marketing, rather than research and development. We maintain and enforce our clients' and our technology patent rights, by monitoring and addressing infringement. We maximize the value of technologies for the benefit of our clients, customers and shareholders.

We identify and commercialize innovative technologies in life and physical sciences, electronics, and nano science. Life sciences include medical testing, diagnostics, pharmaceuticals, biotechnologies, medical devices and other medical or biological applications. Physical sciences include chemical, display, and environmental applications. Electronics include communications, semiconductors, Internet related, e-commerce and consumer electronics applications. Nanotechnologies are the manipulation of microscopic particles into useful arrangements, and smart or novel materials; a nano particle is one thousand times smaller than the width of a human hair. We have technologies in each area, with a concentration in life sciences.

### PORTFOLIO ACQUISITION

We continue to expand relationships with universities and inventors, increasing the number of clients, products and technologies we represent, and establishing us as the premier technology commercialization and product distribution company. The goal is to have a pipeline of technologies and distribution products that will generate a long-term recurring revenue stream.

We evaluate potential technologies based on the strength of the intellectual property, our ability to protect it, its life stage, further development time needed, compatibility with existing technology in our portfolio, marketability, market size, and potential profitability.

We evaluate potential products for distribution based on their capability to fulfill an unmet market need and/or social responsibility. We focus on products that improve quality-of-life. The goal is to acquire products for

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distribution that have a competitive advantage, proprietary know-how and/or regulatory approval. We seek exclusive rights to manufacture, market and distribute the products.

Numerous technologies and products are reviewed and evaluated in terms of current, mid- and long-term revenue potential. Both products and technologies have the potential to produce different levels of revenue throughout the life of the agreement. We obtain rights to improvements and/or refinements that extend the life of the product or technology, increasing the potential revenue. We continuously review the revenue potential of our product and technology portfolio to generate a long-term recurring revenue stream.

A non-disclosure agreement signed with a prospective client allows us access to confidential information about the product or technology. We require similar non-disclosure agreements from prospective customers when we commercialize the product or technology. We include mutual non-disclosure

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provisions about the product or technology in agreements granted to protect value, for CTTC, our clients and our customers. As a result of these obligations, as well as federal regulations for disclosure of confidential information, we may only be able to disclose limited information about licenses and sublicenses granted for products or technologies we evaluate, as is necessary for an understanding of our financial results.

### MARKETING TECHNOLOGIES AND PRODUCTS

We commercialize technologies and products through contacts in research and development, legal firms, major corporations, seminars and trade shows. We determine the most likely users of the technologies or distributors of products, and contact prospective customers.

### TECHNOLOGY PROTECTION AND LITIGATION

Protecting our technologies from unintentional and willful patent infringement, domestically and internationally, is an important part of our business. We sometimes assist in preparation of initial patent applications, and often are responsible for prosecuting and maintaining patents. Unintentional infringement, where the infringer usually does not know that a patent exists, can often be resolved by the granting of a license. In cases of willful infringement, certain infringers will continue to infringe absent legal action, or, companies may successfully find work-arounds to avoid paying proper monies to us and our clients for use of our technologies. We defend our technologies on behalf of ourselves, our clients and licensees, and pursue patent infringement cases through litigation, if necessary. Such cases, even if settled out of court, may take several years to resolve, with expenses borne by our clients, us, or shared. Proceeds from the case are usually shared in proportion to the costs. As a result, we may incur significant expenses in some years and be reimbursed through proceeds of awards or settlements several years later. In cases of willful infringement, patent law provides for the potential of treble damages at the discretion of the Court.

### REVENUE GENERATION

We license technologies to generate revenue based on usage or sales of the technologies, or by sharing in the profits of distribution. When our customers pay us, we share the revenue with our clients.

Product distribution We have established a new business model for appropriate technologies that allows us to move beyond our usual royalty arrangement and share in the profits of distribution. Distribution terms are set in written agreements for products, and are generally signed for exclusive area parameters.

We currently maintain a small inventory of our Calmare pain therapy medical device and we recognize revenue from the sale of inventory as devices are shipped to our customers.

In late fiscal 2007, we obtained exclusive worldwide distribution rights to a non-invasive pain therapy device for rapid treatment of high-intensity oncologic and neuropathic pain, including pain resistant to morphine and other drugs. Developed and patented in Italy by CTTC's client, Prof. Giuseppe Marineo, DSc., the "Scrambler Therapy" technology was brought to CTTC through the efforts of Prof. Giancarlo Elia Valori of the Italian business development group, Sviluppo Lazio S.p.A. The Calmare(R) pain therapy medical device, 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. In February 2009, CTTC received FDA 510(k) clearance for U.S. sales of the device. Several thousand patients in various hospitals and medical centers have been successfully treated using the technology. CTTC's partner, GEOMC Co., Ltd. of Korea, is manufacturing the product commercially for worldwide distribution. U.S. and international patents are pending.

Beginning in fiscal 2008, we entered into a number of distribution agreements granting country-exclusive rights to a number of international distributors. Each distributor is required to obtain local sales authorization. Ongoing sales from these distribution agreements are anticipated in fiscal 2011 and into the future.

In the U.S. we are the distributor for the Calmare Pain Therapy medical device, having canceled the July 2009 distribution agreement we had with Innovative Medical Therapies, Inc. for nonperformance, and currently have contracts with approximately 30 commissioned sales representatives. To assist potential clients, we are working with several commercial leasing companies to provide long term (24-60 months) financing for sales of the Calmare device to hospitals, clinics and medical practices in the US. Ongoing sales in the US, facilitated by these commissioned representatives, are anticipated in fiscal 2011 and into the future.

Technology royalties Client and customer agreements are generally for the duration of the technology life, which usually is determined by applicable patent law. When we receive customer reports of sales or payments, whichever occurs first, we record revenue for our portion, and record our obligation to our clients for their portion. For early stage technologies that may not be ready for commercial development without further research, we may receive annual minimum payments and/or milestone payments based on research progress or subsequent sublicense or joint venture proceeds. In certain sublicense or license agreements, we may receive an upfront fee upon execution of the license. Our fees are generally non-refundable, and, except for annual minimums, are usually not creditable against future royalties. In certain cases, the first year or several years' royalties may be waived in consideration for an upfront fee. We may apply the upfront fee or initial fees to reimburse patent prosecution and/or maintenance costs incurred by either party. In these cases, payments are recorded as a reduction of expense, and not as revenue. If the reimbursement belongs solely to our client, we record no revenue or expense. As a result, a new technology may not generate significant revenue in its early years.

Licensing terms are documented in written agreements with customers. We generally enter into single element agreements with customers, under which we have no additional obligations other than patent prosecution and maintenance. We may enter into multiple element agreements under which we have continuing service obligations. All revenue from multiple element agreements is deferred until delivery of all verifiable required elements. In milestone billing agreements we recognize non-refundable, upfront fees ratably over the life of the agreement, and milestone payments as the specified milestone is achieved. We evaluate billing agreements on a case-by-case basis, and record revenue as appropriate. We do not have multiple element or milestone billing agreements at this time, but have had such agreements in the past, and could have in the future.

In fiscal 2010, we had a significant concentration of revenue from our Calmare pain therapy medical device. We actively market other technologies, and seek new technologies to mitigate this concentration of revenue and provide a steady future revenue stream. We have created a new business model for



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appropriate technologies that allows us to move beyond our usual royalty arrangement and share in the profits of distribution. We currently maintain a small inventory of our Calmare pain therapy medical device and we recognize revenue from the sale of inventory as devices are shipped to our customers. Technologies that produced revenue equal to or exceeding 15% of our total revenue, or at least \$250,000 in 2010 and 2009 were:

	2010	2009
	-----	-----
Pain therapy medical device	\$1,941,000	\$ 7,000
Plant Regeneration	\$ 12,000	\$132,000
Flip Chip	\$ -	\$ 71,000

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As a percentage of total revenue for the same periods, these technologies represented:

	2010	2009
	-----	-----
Pain therapy medical device	97%	2%
Plant Regeneration	1%	38%
Flip Chip	-%	20%

Our pain therapy device is a non-invasive pain therapy device for rapid treatment of high-intensity oncologic and neuropathic pain, including pain resistant to morphine and other drugs. We received FDA 510(k) clearance for the device in February 2009 and have been ramping up our sales effort ever since. We expect the revenue generated from this technology to grow significantly in future years. Revenue for fiscal 2010 primarily represented the sale of devices to either international distributors or end users in the United States. It also includes rental income from situations where we rented the device to end-users in the United States and Gain from the Sale of Rental Assets when these devices were converted to outright sales.

The plant regeneration technology has been assigned to the University of Pennsylvania who pays us a royalty on any income earned from exploiting this technology. The technology is currently exclusively licensed to Syngenta Biotechnology, Inc. The revenue for fiscal 2009 represented previously unreported back royalties. We expect our future revenue stream to more closely resemble revenue received in fiscal 2010.

The revenue from our Flip Chip technology in fiscal 2009 represented the outright sale of the patents to a third party. As such we will not generate any further revenue from this technology in the future.

We receive revenue from legal awards that result from successful patent enforcement actions and/or out of court settlements. Such awards or settlements may be significant, are non-recurring and may include punitive damages, attorneys' fees, court costs and interest.

Other technologies in our life sciences portfolio, many of which are subject to testing, clinical trials and approvals, include:

- Nanotechnology bone cement biomaterial with a broad range of potential applications, including dental, spinal and other bone related applications. Exclusively licensed to Soteira, Inc. for human spinal applications;

- Sunless tanning agent, a skin-pigment enhancer being researched as a skin cancer preventative, and therapeutic for vitiligo, albinism and psoriasis, exclusively licensed to Clinuvel Pharmaceuticals, Ltd. (Australia);

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- Lupus Diagnostic and Monitoring technology, a cost-effective scalable testing platform used to detect and monitor the autoimmune disease, Lupus;
- Sexual Dysfunction technology, CTC's joint venture with Xion Corporation announced in September 2009 is conducting an extended research program in support of the commercialization of our patented melanocortin analogues for treating male and female sexual dysfunction and obesity.

Our applied science/electronics portfolio includes:

- Encryption technology that operates at high speeds with low memory requirements to secure applications used on the Internet, telecommunications, smart cards and e-commerce;
- Video and audio signal processing technology licensed in the Motion Picture Electronics Group visual patent portfolio pool (MPEG 4 Visual), and used in streaming video products for personal computers and wireless devices, including mobile phones;

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- Radio Alert Warning System, a low powered dual-mode transmitter capable of short-range interruption of commercial radio broadcasting with a message alerting of an emergency situation;
- Structural Steel Fissure Detection Paint contains a built-in, self-activating, crack-indicating or warning capability effective coincident with application of the paint to the structure, and requiring minimum training for its use.

### REVENUE FROM FOREIGN SOURCES

Revenue from foreign sources totaled approximately \$1,385,000 and \$43,000, in 2010 and 2009, respectively. Of the foreign sourced revenue received, \$1,339,000 in fiscal 2010 was from sources in Italy and \$32,000, in fiscal 2009 was from sources in Japan.

### INVESTMENTS

From time to time we provide other forms of assistance and funding to certain development-stage companies to further develop specific technologies.

### EMPLOYEES

As of October 25, 2010, we employed the full-time equivalent of 8 people. We also had independent consultants under contract to provide business development services. In addition to the diverse technical, intellectual property, legal, financial, marketing and business expertise of our professional team, from time to time we rely on advice from outside specialists to fulfill unique technology needs.

### CORPORATE GOVERNANCE

CTC's Corporate Governance Principles, Corporate Code of Conduct, the Committee Charters for the Audit and Nominating Committees of the Board of Directors, the unofficial restated Certificate of Incorporation and the By-Laws are available on our website at [www.competitivetech.net/investors/governance.html](http://www.competitivetech.net/investors/governance.html).

### AVAILABLE INFORMATION

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We make available without charge copies of our Annual Report, Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, amendments to those, and other reports filed with the Securities and Exchange Commission ("SEC") on our website, [www.competitivetech.net](http://www.competitivetech.net), as soon as reasonably practicable after they are filed. Our website's content is not intended to be incorporated by reference into this report or any other report we file with the SEC. You may request a paper copy of materials we file with the SEC by calling us at (203) 368-6044.

You may read and copy materials we file with the SEC on the SEC's website at [www.sec.gov](http://www.sec.gov), or at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling (800) 732-0330.

### FISCAL YEAR

Our fiscal year ends July 31, and our first, second, third and fourth quarters end October 31, January 31, April 30 and July 31, respectively.

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### ITEM 1A. RISK FACTORS

#### RISKS RELATED TO OUR BUSINESS AND THE MARKET ENVIRONMENT

The risk factors described below are not all-inclusive. All risk factors should be carefully considered when evaluating our business, results of operations, and financial position. We undertake no obligation to update forward-looking statements or risk factors. There may be other risks and uncertainties not highlighted herein that may affect our financial condition and business operations.

WE DERIVED MORE THAN 97% OF OUR REVENUE IN FISCAL 2010 FROM ONE TECHNOLOGY.

We derived approximately \$1,941,000, or 97%, of 2010 revenue from our pain therapy medical device technology. A concentration of revenue makes our operations vulnerable to patent change or expiration, or to the development of new and competing technologies and could have a significant adverse impact on our financial position.

IN THE LAST FIVE FISCAL YEARS, WE INCURRED SIGNIFICANT NET LOSSES AND NEGATIVE CASH FLOWS, AND OUR ABILITY TO FINANCE FUTURE LOSSES IS LIMITED, AND MAY SIGNIFICANTLY AFFECT EXISTING STOCKHOLDERS.

The table below summarizes our consolidated results of operations and cash flows for the five years ended July 31, 2010:

	2010	2009	2008	2007	2006
Net income					
(loss)	\$ (2,708,534)	\$ (3,479,824)	\$ (5,966,454)	\$ (8,893,946)	\$ (2,377,224)
Net cash					
flows from:					
Operating					
activities	(3,662,070)	(3,491,630)	(4,994,411)	(5,437,443)	(3,527,318)
Investing					
activities	65,287	(1,490)	792,539	(978,217)	(141,644)
Financing					
activities	3,752,196	2,008,096	(133,109)	78,425	2,298,726

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Net increase  
(decrease) in  
cash and cash  
equivalents     \$    155,413    \$(1,485,024)    \$(4,334,981)    \$(6,337,235)    \$(1,370,236)

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 third quarter fiscal 2011. 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. Failure to develop a recurring revenue stream sufficient to cover operating expenses would negatively affect the Company's financial position.

Our current recurring revenue stream is insufficient for us to be profitable with our present cost structure. To return to and sustain profitability, we must 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 and cash balances.

Future revenue, obtaining rights to new technologies, granting licenses, and enforcing intellectual property rights are subject to many factors beyond our control. These include technological changes, economic cycles, and our licensees' ability to successfully commercialize our technologies. Consequently, we may not be able to generate sufficient revenue to be profitable. Although we cannot be certain that we will be successful in these efforts, we

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believe the combination of our cash on hand, and revenue from successfully executing our strategy will be sufficient to meet our obligations of current and anticipated operating cash requirements.

WE DEPEND ON RELATIONSHIPS WITH INVENTORS TO GAIN ACCESS TO NEW TECHNOLOGIES AND INVENTIONS. IF WE FAIL TO MAINTAIN EXISTING RELATIONSHIPS OR TO DEVELOP NEW RELATIONSHIPS, WE MAY HAVE FEWER TECHNOLOGIES AND INVENTIONS AVAILABLE TO GENERATE REVENUE. TECHNOLOGY CAN CHANGE RAPIDLY AND INDUSTRY STANDARDS CONTINUALLY EVOLVE, OFTEN MAKING PRODUCTS OBSOLETE, OR RESULTING IN SHORT PRODUCT LIFECYCLES. OUR PROFITABILITY DEPENDS ON OUR LICENSEES' ABILITY TO ADAPT TO SUCH CHANGES.

We do not invent new technologies or products. We depend on relationships with universities, corporations, government agencies, research institutions, inventors, and others to provide technology-based opportunities that can develop into profitable licenses, and/or allow us to share in the profits of distribution. Failure to maintain or develop relationships could adversely affect operating results and financial conditions. We are dependent upon our

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clients' abilities to develop new technologies, introduce new products, and adapt to technology and economic changes.

We cannot be certain that current or new relationships will provide the volume or quality of technologies necessary to sustain our business. In some cases, universities and other technology sources may compete against us as they seek to develop and commercialize technologies. Universities may receive financing for basic research in exchange for the exclusive right to commercialize resulting inventions. These and other strategies may reduce the number of technology sources, potential clients, to whom we can market our services. If we are unable to secure new sources of technology, it could have a material adverse effect on our operating results and financial condition.

WE RECEIVE MOST OF OUR REVENUE FROM CUSTOMERS OVER WHOM WE HAVE NO CONTROL.

We rely on our customers for revenue. Development of new products utilizing our technology involves risk. Many technologies do not become commercially profitable products despite extensive development efforts. Our license agreements do not require customers to advise us of problems they encounter in development of commercial products, and usually treat such information as confidential. Their failure to resolve problems may result in a material adverse effect on our operating results and financial condition.

STRONG COMPETITION WITHIN OUR INDUSTRY MAY REDUCE OUR CLIENT BASE.

We compete with universities, law firms, venture capital firms and other technology commercialization firms. Many organizations offer some aspect of technology transfer services, and are well established with more financial and human resources than we provide. This market is highly fragmented and participants frequently focus on a specific technology area.

FROM TIME-TO-TIME WE ARE INVOLVED IN LAWSUITS THAT HISTORICALLY HAVE INVOLVED SIGNIFICANT LEGAL EXPENSES. IF THE COURTS OR REGULATORY AGENCIES IN THESE SUITS OR ACTIONS DECIDE AGAINST US, THIS COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

For a complete description of all lawsuits in which we are currently involved, see ITEM 3. LEGAL PROCEEDINGS

OUR REVENUE GROWTH DEPENDS ON OUR ABILITY TO UNDERSTAND THE TECHNOLOGY REQUIREMENTS OF OUR CUSTOMERS IN THE CONTEXT OF THEIR MARKETS. IF WE FAIL TO UNDERSTAND THEIR TECHNOLOGY NEEDS OR MARKETS, WE LIMIT OUR ABILITY TO MEET THOSE NEEDS AND GENERATE REVENUES.

By focusing on the technology needs of our customers, we are better positioned to generate revenue by providing technology solutions. The market demands of our customers drive our revenue. The better we understand their markets, the better we are able to identify and obtain effective technology solutions for our customers. We rely on our professional staff and contract business development consultants to understand our customers' technical, commercial, and market requirements and constraints, to identify and obtain effective technology solutions for them.

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OUR SUCCESS DEPENDS ON OUR ABILITY TO ATTRACT AND RETAIN KEY PERSONNEL.

Our success depends on the knowledge, efforts and abilities of a small number of key personnel, including Johnnie D. Johnson, Chief Executive Officer and Chief Financial Officer and Aris Despo, Executive Vice President, Business Development. We rely on our professional staff and contract business development

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consultants to identify intellectual property opportunities and technology solutions, and to negotiate and close license agreements. Competition for personnel with the necessary range and depth of experience is intense. We cannot be certain that we will be able to continue to attract and retain qualified personnel. If we are unable to hire and retain highly qualified professionals and consultants, especially with our small number of staff, our revenue, financial condition and future activities could be materially adversely affected.

OUR CUSTOMERS, AND WE, DEPEND ON GOVERNMENT APPROVALS TO COMMERCIALLY DEVELOP CERTAIN LICENSED PRODUCTS.

Commercial development of some licensed patents may require the approval of foreign or domestic governmental regulatory agencies, especially in the life sciences area, and there is no assurance that those agencies will grant such approvals. In the United States, the principal governmental agency involved is the U.S. Food and Drug Administration ("FDA"). The FDA's approval process is rigorous, time consuming and costly. Until a licensee obtains approval for a product requiring such approval, the licensee may not sell the product in the U.S., and therefore we will not receive revenue based on U.S. sales.

IF WE, AND OUR CLIENTS, ARE UNABLE TO PROTECT THE INTELLECTUAL PROPERTY UNDERLYING OUR LICENSES, OR TO ENFORCE OUR PATENTS ADEQUATELY, WE MAY BE UNABLE TO DEVELOP SUCH LICENSED PATENTS OR TECHNOLOGIES SUCCESSFULLY.

License revenue is subject to the risk that issued patents may be declared invalid, may not be issued upon application, or that competitors may circumvent or infringe our licensed patents rendering them commercially inadequate. When all patents underlying a license expire, our revenue from that license ceases, and there can be no assurance that we will be able to replace it with revenue from new or existing licenses.

PATENT LITIGATION HAS INCREASED; IT CAN BE EXPENSIVE, AND MAY DELAY OR PREVENT OUR CUSTOMERS' PRODUCTS FROM ENTERING THE MARKET.

Our clients and/or we may pursue patent infringement litigation or interference proceedings against holders of conflicting patents or sellers of competing products that we believe infringe our patent rights. For a description of proceedings in which we are currently involved, see ITEM 3. LEGAL PROCEEDINGS.

We cannot be certain that our clients and/or we will be successful in any litigation or proceeding. The costs and outcome may materially adversely affect our business, operating results and financial condition.

DEVELOPING NEW PRODUCTS, AND CREATING EFFECTIVE COMMERCIALIZATION STRATEGIES FOR TECHNOLOGIES ARE SUBJECT TO INHERENT RISKS THAT INCLUDE UNANTICIPATED DELAYS, UNRECOVERABLE EXPENSES, TECHNICAL PROBLEM, AND THE POSSIBILITY THAT DEVELOPMENT FUNDS WILL BE INSUFFICIENT. THE OCCURRENCE OF ANY ONE OR MORE OF THESE RISKS COULD CAUSE US TO ABANDON OR SUBSTANTIALLY CHANGE OUR TECHNOLOGY COMMERCIALIZATION STRATEGY.

Our success depends upon, among other factors, our clients' ability to develop new or improved technologies, and our customers' products meeting targeted cost and performance objectives for large-scale production, adapting technologies to satisfy industry standards and consumer expectations and needs, and bringing the product to market before saturation. They may encounter unanticipated problems that result in increased costs or substantial delays in the product launch. Products may not be reliable or durable under actual operating conditions, or commercially viable and competitive. They may not meet price or other performance objectives when introduced into the marketplace. Any of these events may adversely affect our realization of revenue from new

products.

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WE HAVE NOT PAID DIVIDENDS ON OUR COMMON STOCK.

We have not paid cash dividends on our common stock since 1981, and, our Board of Directors does not currently have plans to declare or pay cash dividends in the future. The decision to pay dividends is solely at the discretion of our Board of Directors based upon factors that they deem relevant, and may change at any time.

IN DEVELOPING NEW PRODUCTS WE ARE AFFECTED BY PATENT LAWS AND REGULATIONS.

Patent laws and regulations are continuously reviewed for possible revision. We cannot be certain how we will be affected by revisions.

ITEM 1B. UNRESOLVED STAFF COMMENTS

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None.

ITEM 2. PROPERTIES

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Our executive offices are approximately 11,000 square feet of leased space in a building in Fairfield, Connecticut. The seven-year lease commenced August 24, 2006, and expires August 31, 2013. We have an option to terminate the lease after five years, or renew for an additional five years under similar terms and conditions. The average annual base rent is approximately \$310,000 over the life of the lease, after including incentives, taxes, climate control, power and maintenance. Management has sub-leased some excess space and is seeking additional sub-tenants.

ITEM 3. LEGAL PROCEEDINGS

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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. Carolina Liquid was served on September 1, 2005. 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 homocysteine patent was upheld by the U.S. Patent and Trademark Office's Board of Patent Appeals and Interferences (BPAI). 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 decision 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 continue to await the BPAI appeal decision.

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Ben Marcovitch and other co-defendants (Case completed) - On August 8, 2007, we announced that former CTTC Director Ben Marcovitch had been removed for cause from our Board of Directors by unanimous vote of CTTC's five Directors for violating CTTC's Code of Conduct. At that time, CTTC also withdrew from its involvement with Agrofrut, E.U., a nutraceutical firm brought to CTTC by Mr. Marcovitch. As announced on April 10, 2007, CTTC 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 CTTC employee, and other defendants. The complaint claims that false and misleading information had been provided to CTTC in a conspiracy to fraudulently obtain funds from CTTC using the Agrofrut transaction. We have requested, among other relief, punitive damages and attorneys' fees. It is our opinion

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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 CTTC. 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 CTTC payment must be made to CTTC's counsel. On October 30, 2007, in amended complaint, CTTC sought injunctive relief and damages against Sheldon Strauss for conspiring with Mr. Marcovitch to unlawfully solicit proxies in violation of Securities Exchange Act of 1934.

At a December 7, 2007 hearing, the Court requested CTTC 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 CTTC 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.

On June 23, 2008, the Court ruled that the defendants are compelled to respond to interrogatories and to produce any supplemental discovery documents by the deadline of July 7, 2008.

On August 15, 2008, CTTC filed a motion for Summary Judgment. A Memorandum in Opposition was filed by Marcovitch, et al, on September 15, 2008. CTTC responded to the Memorandum on September 24. The judge denied the Summary Judgment Motion on April 6, 2009. On June 1, 2009, the Judge granted permission to CTTC to enter a Motion for Default Judgment against Agrofrut and Sheldon Strauss. On June 4, 2009, the Judge granted permission for CTTC to enter a Motion for Default Judgment against Ben Marcovitch and Betty Rios Valencia. These Default motions were filed on June 15, 2009.

On September 8, 2009, the Judge ruled favorably on CTTC's motion for



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default judgment. The judgment entered against Marcovitch, Rios Valencia, Agrofrut and Strauss, jointly and severally, is for \$750,000, as well as reasonable attorneys' fees and costs of \$600,788. Additionally, judgments were entered against Marcovitch, Rios Valencia, and Agrofrut, jointly and severally, for \$2.25 million, treble damages, and for \$600,788, punitive damages. A judgment was also entered against Rios Valencia and Agrofrut, jointly and severally, for punitive damages of \$750,000. The judge confirmed that Marcovitch was properly removed as a member of CTTC's Board of Directors and issued a permanent injunction prohibiting Marcovitch from holding himself out as a member of CTTC'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, CTTC 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. CTTC 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 CTTC 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 CTTC 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.

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In August 2007, the same former employee filed a new SOX whistleblower complaint with OSHA alleging that in April 2007 CTTC 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, CTTC filed a complaint in the U.S. District Court for the District of Connecticut against the former employee seeking a declaration that CTTC did not violate SOX as alleged in the employee's 2007 OSHA complaint, and to recover approximately \$80,000 that CTTC 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 (CTTC) violated SOX". We anticipate no further action on this matter.

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John B. Nano vs. Competitive Technologies, Inc. - On September 3, 2010, the Board of Directors of Competitive Technologies, Inc. removed John B. Nano as an Officer of the Corporation in all capacities for cause, consisting of violation of his fiduciary duties to the Corporation and violation of the Competitive Technologies, Inc. Corporate Code of Conduct. On September 13, 2010, the Board of Directors also removed John B. Nano as a Director of the Corporation in all capacities for cause, consisting of violation of his fiduciary duties to the Corporation and violation of the Competitive Technologies, Inc. Corporate Code of Conduct. Details of these actions are outlined in Form 8-K filings with the Securities and Exchange Commission on September 13, 2010, and September 17, 2010. Mr. Nano was previously the Chairman of the Board of Directors, President and Chief Executive Officer of Competitive Technologies, Inc.

On September 23, 2010 the Company was served notice that John B. Nano, CTTC's former Chairman, President and CEO had filed a Notice of Application for Prejudgment Remedy/Claim and an Application for an Order Pendente Lite for breach of his employment contract with us. The applications were filed in the State of Connecticut Superior Court in Bridgeport, CT. At a hearing on October 4, 2010, initial conversations with the judge indicate that further conversations may occur prior to any requirement for CTTC to post bond. Mr. Nano is seeking \$750,000 that he claims was owed under his contract had he been terminated without cause. Mr. Nano's employment contract with the Company had called for arbitration, which has been requested to resolve this conflict.

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, or damages we may recover in these actions, if any, and have not accrued potential gains or losses in our financial statements. Expenses in connection with these actions are recorded 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 operation and cash flows in a particular period.

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#### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

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At the Annual Meeting of Shareholders held April 19, 2010, shareholders voted on the following issues:

- Election of Directors

Election of Directors	For	Withheld
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Joel M. Evans, M.D.	5,031,303	884,104
Richard D. Hornidge, Jr.	5,658,657	256,750
Rustin Howard	5,654,407	261,000
John B. Nano	4,841,219	1,074,188
William L. Reali	5,146,053	769,354

Ratification of selection of MHM Mahoney Cohen CPAs, the New York Practice of Mayer Hoffman McCann P.C., as the independent public accounting firm:

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Accounting Firm	For	Against	Abstained
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MHM Mahoney Cohen CPAs (*)	9,060,625	30,256	43,784

\* (Now known as Mayer Hoffman McCann CPAs (The New York practice of Mayer Hoffman McCann P.C.), effective June 8, 2010.)

### ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

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The name of our executive officer, his age and background information is as follows.

On September 3, 2010, the Board of Directors of Competitive Technologies, Inc. removed John B. Nano as an Officer of the Corporation in all capacities for cause, consisting of violation of his fiduciary duties to the Corporation and violation of the Competitive Technologies, Inc. Corporate Code of Conduct. On September 13, 2010, the Board of Directors also removed John B. Nano as a Director of the Corporation in all capacities for cause, consisting of violation of his fiduciary duties to the Corporation and violation of the Competitive Technologies, Inc. Corporate Code of Conduct. (See ITEM 3. LEGAL PROCEEDINGS.)

Johnnie D. Johnson, 72, has served as our Chief Executive Officer and Chief Financial Officer since September 2010. Mr. Johnson brings over 30 years of experience to his role as Chief Executive Officer and Chief Financial Officer of Competitive Technologies. After obtaining his BS in Business and Accounting from University of Findlay in 1960 and his MBA from Bowling Green University in 1976, Mr. Johnson went to work with the original Marathon Oil Company (a Fortune 40 company) in 1960, where he remained until Marathon was acquired by USX in 1982. At Marathon, Mr. Johnson undertook numerous positions, including Auditor, Controller, and finally Assistant to the President and CEO where he was responsible for investor relations, crude oil trading, liaison activities with other operation components of Marathon and merger/acquisition coordination. While at Marathon Oil, he was singled out by Institutional Investor magazine as one of the foremost practitioners of investor relations in the US. From 1982 to 1986, after its acquisition of Marathon, Mr. Johnson joined USX (formerly US Steel and a Fortune 20 company), where as Assistant Corporate Comptroller he was responsible for investor relations and strategic planning. From 1986 to 1991, Mr. Johnson was Managing Director of Georgeson & Co., an investor relations, proxy solicitation, and shareholder analysis firm with 160 employees. Mr. Johnson served as chairman and CEO for seven years of Johnnie D. Johnson & Co., an investor relations firm from 1991 to 1998, serving over 150 clients. Most recently, Mr. Johnson has assisted CTTC in his role as Chief Executive Officer of IR Services, LLC (previously Strategic IR, Inc.), beginning in 1998 through present. Mr. Johnson is a graduate of Harvard's Advanced Management Program, and was previously a licensed CPA.

Mr. Johnson has been highly active within the investor relations community, having served as chairman of both the National Investor Relations Institute (NIRI) and the NIRI foundation, as well as president of the Petroleum Investor Relations Association. He is a member of the Investor Relations Association, and a former member of NIRI and the American Institute of CPAs. His publications include, "Establishing the Investor Relations Function," in The

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Handbook of Investor Relations, edited by Donald R. Nichols, 1989, Dow Jones-Irwin, and, "Investor Relations: A Marketing Function," in Experts in Action: Inside Public Relations, 2nd ed., edited by C. Burger, 1989, Longman Inc. In addition, he has lectured extensively in the US, Europe and Asia on the subjects of investor relations and financial statement analysis.

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## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS

#### AND ISSUER PURCHASES OF EQUITY SECURITIES

Market information. Our common stock had been traded on the NYSE Amex under the ticker symbol CTT since April 25, 1984. On September 3, 2010, our stock was delisted from the NYSE Amex and began trading on the OTCQB under the ticker symbol CTTC. On October 5, 2010, our stock began trading on the OTC market's top tier, the OTCQX. The following table sets forth for the periods indicated, the quarterly high and low trading prices for our common stock, as reported by the NYSE Amex.

	YEAR ENDED JULY 31, 2010		Year Ended July 31, 2009	
	High	Low	High	Low
First Quarter	\$ 2.64	\$ 1.92	First Quarter	\$ 3.00 \$ 1.02
Second Quarter	\$ 2.39	\$ 1.40	Second Quarter	\$ 1.55 \$ 0.76
Third Quarter	\$ 3.10	\$ 1.24	Third Quarter	\$ 1.80 \$ 0.54
Fourth Quarter	\$ 3.64	\$ 2.00	Fourth Quarter	\$ 2.84 \$ 1.41

Holders. At October 25, 2010, there were approximately 519 holders of record of our common stock.

Dividends. No cash dividends were declared on our common or preferred stocks during the last two fiscal years.

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### COMPETITIVE TECHNOLOGIES, INC.

### ITEM 6. SELECTED FINANCIAL DATA(1) (4)

	2010	2009	2008	2007	2006
<b>STATEMENT OF OPERATIONS SUMMARY:</b>					
Total revenues (2)	\$ 2,009,682	\$ 348,240	\$ 1,193,353	\$ 4,167,216	\$ 5,167,216
Net income (loss) (2) (3)	\$ (2,708,534)	\$ (3,479,824)	\$ (5,966,454)	\$ (8,893,946)	\$ (2,343,946)
Net income (loss) per share:					
Basic	\$ (0.25)	\$ (0.40)	\$ (0.73)	\$ (1.11)	\$ (1.11)
Assuming dilution	\$ (0.25)	\$ (0.40)	\$ (0.73)	\$ (1.11)	\$ (1.11)
Weighted average number of common shares outstanding:					
Basic	10,832,043	8,740,419	8,156,343	8,040,455	7,600,000
Assuming dilution	10,832,043	8,740,419	8,156,343	8,040,455	7,600,000
<b>YEAR-END BALANCE SHEET SUMMARY:</b>					
	At July 31,				
Cash and cash equivalents	\$ 907,484	\$ 752,071	\$ 2,237,095	\$ 6,572,076	\$12,900,000
Total assets	4,949,923	1,401,491	3,110,983	9,712,733	18,400,000
Total long-term obligations	66,369	81,418	78,822	62,624	62,624
Total shareholders' interest	2,608,502	285,168	1,593,436	7,598,816	14,400,000