CASE ANALYSIS: GLOSTER LIMITED V. GLOSTER CABLES LIMITED & ORS: TRADEMARKS AS ASSETS IN CORPORATE INSOLVENCY

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Citation	2026 INSC 81
Court	Supreme Court of India, Civil Appellate Jurisdiction
Bench	K.V. Viswanathan, J. and J.B. Pardiwala,
Date of Judgement	22 January, 2026
Case Numbers	Civil Appeal No. 2996 of 2024 (Gloster Ltd. v. Gloster Cables Ltd. & Ors.), with Civil Appeal No. 4493 of 2024 (Gloster Cables Ltd. v. Gloster Ltd.)

Introduction

The convergence of insolvency and Intellectual Property law has emerged to be one of the most contested and complex areas in the Indian jurisprudence. This intersection has evolved over the years with a major contribution by the Hon'ble Supreme Court's ruling in "*Gloster Limited v. Gloster Cables Limited*"[1]. The controversy significantly revolved around the proprietary right over the trademark "GLOSTER" bearing No. 690772[2], while the deeper question before the court was more fundamental in nature — whether insolvency firms have a jurisdiction over deciding complex questions of Intellectual property merely because one of the parties is undergoing a corporate insolvency resolution process (CIRP).

The case is a significant delineation on the jurisdictional powers of the National Company law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016 (IBC). The Hon'ble Supreme Court of India set aside the findings of the NCLT and the National Company Law

[1] *Gloster Limited v. Gloster Cables Limited & Ors.*, 2026 INSC 81.
[2] Trade Mark No. 690772, Class 9, Register of Trade Marks, Office of the Registrar of Trade Marks (India), maintained under the Trade Marks Act, 1999.

Appellate Tribunal (NCLAT), and further held that both the tribunals had exceeded their respective jurisdictions by declaring the ownership of the trademark "GLOSTER".

This judgement offers insights on how trademark is dealt with in insolvency proceedings and the jurisdictional boundaries of insolvency tribunals. This case law analysis focuses on facts, legal issues, judicial reasoning and broader implications of the judgement with a focus on the treatment of trademarks in insolvency proceedings.

Factual Matrix

The Parties and the Corporate Debtor

The judgement has its roots in the long standing relationship between "Fort Gloster Industries Limited" (FGIL), the corporate debtor and "Gloster cables Limited" (GCL) over the years. The trademark "Gloster" (bearing registration no. 690772 in class 9) was originally owned by Fort Gloster Industries Ltd., a manufacturer of electric cables. Further, FGIL and GCL entered into a series of agreements concerning the mark over a period of more than two decades.

Chain of Agreements

GCL and FGIL entered into a Technical Collaboration Agreement on 2 may, 1995 which allowed GCL to manufacture and market electric cables under the mark "Gloster" against an agreed royalty of 2% of ex-works prices of the product sold or leased.[3]

Later, a Trademark Agreement entered on 29 July, 2004 granted GCL an exclusive license to use the trademark fot thirty three years along with the first right to purchase against a lump-sum payment of Rs. 3 crore and an annual royalty of Rs. 2 Lakh.[4]

In 2006, GCL extended a loan of Rs. 10 crore to help FGIL and secured an exclusive charge over the trademark in favour of GCL. Then on 15 July 2008, A Supplemental Trademark Agreement assigned the mark to GCL for Rs 10 Lakh. However, this assignment was subject to the discharge of a restraint order passed on 10.08.2001 by the Board for Industrial and Financial Reconstruction (BIFR) in earlier proceedings against FGIL.[5]

[3] *Gloster Limited v. Gloster Cables Limited & Ors.*, 2026 INSC 81, ¶ 4.2(ii) (India).
[4] Id. ¶ 4.2(vi).
[5] Id. ¶ 4.2(vii).

Subsequently, upon the repeal before the BIFR of the Sick Industrial Companies (Special Provisions Act) and the consequent abatement of the reference against FGIL, all restraint orders ceased to exist that held up the 2008 assignment.[6] Later on 20.09.2017, a formal Deed of Assignment was entered into between FGIL and GCL which confirmed the absolute assignment of the trademark "Gloster" and granted all ownership rights with respect to the mark. [7] Finally, the trademark "Gloster" was recorded in the trademarks register in the name of GCL which was after the commencement of CIRP and while the stay of proceedings was in force under Section 14 of the Insolvency and Bankruptcy Code, 2016 (IBC)[8].

Initiation of CIRP and GCL's intervention

Pursuant to a complaint by a former employee of FGIL namely Shri Jayant Panja, FGIL was admitted into corporate insolvency resolution process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC)[9]. In the course of the proceedings, a Resolution Professional (RP) was appointed to manage affairs and assets and "Gloster limited" emerged as the Successful Resolution Applicant (SRA) and further sought to include the "Gloster" trademark as part of the assets being taken over.[10]

However, while the Approval application for the resolution plan bt the RP was awaiting, GCL filed an application under Section 60(5) of the IBC before National Company Law Tribunal (NCLT), Kolkata[11] stating that the trademark "GLOSTER" had already been assigned to it prior to the CRIP and hence, did not form part of FGIL's insolvency state.[12]

Procedural history

Before National Company Law Tribunal (NCLT), Kolkata

The adjudicating authority at NCLT Kolkata disposed of the application filed by GCL bearing no. CA(IB) No. 713 of 2019 and simultaneously approved the resolution plan filed by the RP.[13]

[6] Id. ¶ 4.2(viii).
[7] Id. ¶ 4.2(ix).
[8] Id. ¶ 4.2(x).
[9] *Jayant Panja v. Fort Gloster Industries Ltd.*, C.P. (IB) No. 61/KB/2018 (NCLT Kolkata Bench, order, as noted in *Gloster Limited v. Gloster Cables Limited & Ors.*, 2026 INSC 81, ¶ 4.2([X]) (India).
[10] *Gloster Limited v. Gloster Cables Limited & Ors.*, 2026 INSC 81, ¶ 4. (India).
[11] Insolvency and Bankruptcy Code, 2016, § 60(5), No. 31, Acts of Parliament, 2016 (India).
[12] *Gloster Limited v. Gloster Cables Limited & Ors.*, 2026 INSC 81, ¶ 4.1 (India).
[13] *Gloster Limited v. Gloster Cables Limited & Ors.*, 2026 INSC 81, ¶ [4.6] (India)

Through Judgement dated 27.09.2019, it held that the trademark in question is infact an asset of FGIL as per schedule IV read with Section 211 of the Companies Act, 2013.[14] It further treated the Assignment Deed dated 20.09.2017 as an undervalued transaction and noted that GCL cannot claim the absolute title of the trademark.[15] This decision was later nullified by the National Company Law Appellate Tribunal (NCLAT) wherein it was held that the trademark "Gloster " being the asset of the corporate debtor was not in accordance with the law.[16]

Before the Hon'ble Supreme Court of India

Aggrieved by different aspects of the outcome, both the parties approached the Hon'ble Supreme Court of India. Gloster Limited challenged the NCLAT's findings regarding ownership vested to GCL[17], and GCL challenged the assumption of jurisdiction by the tribunals and findings of the NCLT.[18]

Issue before the Hon'ble Supreme Court of India

The Primary question for consideration before the Supreme Court was whether the Adjudicating Authorities had the jurisdiction under Section 60(5) of the IBC, to adjudicate upon the question of title of the trademark "Gloster" considering it does not form part of the insolvency resolution process.[19]

Contentions of Parties

Gloster limited (Successful Resolution Applicant)

Gloster Limited contended that the trademark always formed part of the assets of FGIL and further stated that the 2017 assignment made in favor of GCL was malafide and undervalued. It contended that the NCLT was well within its residuary powers while deciding that the trademark was an asset of the corporate debtor (FGIL) and directing its transfer to the SRA in whose favour the resolution plan was approved.[20]

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[14] *Gloster Cables Ltd. v. Fort Gloster Indus. Ltd.*, CA (IB) No. 713 of 2019 (NCLT, Kolkata Bench, order dated Sept. 27, 2019).
[15] *Gloster Limited v. Gloster Cables Limited & Ors.*, 2026 INSC 81, ¶ [4.4(iv)] (India)
[16] *Id.* ¶ [4.8]
[17] *Gloster Limited v. Gloster Cables Limited & Ors.*, Civil Appeal No. 2996 of 2024, 2026 INSC 81, (India).
[18] Id. Civil Appeal No. 4493 of 2024, 2026 INSC 81, (India).
[19] *Gloster Limited v. Gloster Cables Limited & Ors.*, 2026 INSC 81, ¶ 10. (India).
[20] *Gloster Limited v. Gloster Cables Limited & Ors.*, 2026 INSC 81, ¶ 7. (India).

Gloster Cables Limited (GCL)

It was stated that the trademark tracks back to a chain of commercial agreements dating back to 1995 which was long before FGIL's insolvency. Accordingly, assignment made in 2008 was merely suspended due to discharge BIFR restraint order which was eventually complied with once the reference under SICA abated in 2016. Hereafter GCL argued that the Trademark was successfully assigned to it before the CIRP proceedings hence, it did not form part of FGIL's insolvency state. Moreover, GCL contended that only questions related to the insolvency resolution or liquidation proceedings can be adjudicated upon by the NCLT according to Section 60(5) of IBC.[21]

Judgement and Reasoning of the Supreme Court

Conclusively, the Hon'ble Supreme Court of India set aside both the NCLT's declarations that the trademark was an asset of FGIL and NCLAT's contrary finding that the title of the trademark is owned by GCL by virtue of the supplemental agreement and held that neither of the tribunals ought to have decided upon the question of ownership of trademark.[22] The decision of the Supreme court reasoned across 4 principle lines:

Scope of Section 60(5)(c) of IBC

The court reiterated that Section 60(5) does not grant general civil jurisdiction to the NCLT though it is broadly worded and contains residuary powers.[23]

Section 60(5) reads as under:

"*Notwithstanding anything to the contrary contained in any other law for the time being in force, the National Company Law Tribunal shall have jurisdiction to entertain or dispose of— (a) any application or proceeding by or against the corporate debtor or corporate person; (b) any claim made by or against the corporate debtor or corporate person, including claims by or against any of its subsidiaries situated in India; and (c) any question of priorities or any question of law or facts, arising out of or in relation to the insolvency resolution or liquidation*

[21] Id. ¶ 9.
[22] Id. ¶ 50.
[23] Insolvency and Bankruptcy Code, 2016, § 60(5), No. 31, Acts of Parliament, 2016 (India).

proceedings of the corporate debtor or corporate person under this Code."

Furthermore, the court relied on earlier rulings in Embassy Property Developments Pvt. Ltd. v. state of Karnataka[24], Gujrat Urja Vikas Nigam Ltd. v. Amit Gupta[25], and Tata Consultancy Services Ltd. v. S.K. Wheels (P) Ltd.[26] and further held that the provision permits adjudication over matters solely related to insolvency resolution process and the disputes that fall outside the remit of CIRP should be adjudicated upon by court or forum of competent jurisdiction.

The Resolution Plan

The Resolution Plan itself formed a major aspect in Court's reasoning which stated:

"*Notwithstanding anything to the contrary contained in any other law for the time being in force, the National Company Law Tribunal shall have jurisdiction to entertain or dispose of— (a) any application or proceeding by or against the corporate debtor or corporate person; (b) any claim made by or against the corporate debtor or corporate person, including claims by or against any of its subsidiaries situated in India; and (c) any question of priorities or any question of law or facts, arising out of or in relation to the insolvency resolution or liquidation proceedings of the corporate debtor or corporate person under this Code.*"

The SRA in the Resolution Plan used tentative language ("belief" and "understanding") regarding the Trademark "Gloster" rather than stating it to be an undisputed fact which itself revealed that conflicting claims existed and therefore, became a major decisive factor for the court.[27]

SREI Multiple Asset Investment Trust Vision India Fund v. Deccan Chronicle Marketeers

The court further drew a conclusion from its previous decision in *SREI Multiple Asset Investment Trust Vision India Fund v. Deccan Chronicle Marketeers.*[28] In this case, the NCLT had granted exclusive rights to the SRA to use the trademarks "Deccan Chronicle" and "Andhra

[24] *Embassy Property Developments Pvt. Ltd. v. State of Karnataka*, (2020) 13 SCC 308.
[25] *Gujarat Urja Vikas Nigam Ltd. v. Amit Gupta*, (2021) 7 SCC 209.
[26] *Tata Consultancy Services Ltd. v. SK Wheels (P) Ltd.*, (2022) 2 SCC 583.
[27] *Gloster Limited v. Gloster Cables Limited & Ors.*, 2026 INSC 81, ¶¶ 11–13, 21–23 (India) (extracting the resolution plan's language at ¶ 11, and drawing the inference of acknowledged rival claims at ¶¶ 13, 21–22).
[28] *Gloster Limited v. Gloster Cables Limited & Ors.*, 2026 INSC 81, ¶¶ 32–38 (India) (relying on *SREI Multiple Asset Investment Trust Vision India Fund v. Deccan Chronicle Marketeers*, (2023) 7 SCC 295).

Bhoomi" and made a declaration that the trademarks belonged to the corporate debtor wherein the Supreme court held that it was contradictory to the resolution plan and hence, impermissible by law.

Invoking its decision, the court applied this principle in case of "Gloster" and held that the ownership declaration by NCLT did not reconcile with the resolution plan approved by the COC and later by the adjudicating authority.[29]

Procedural infirmity

With respect to the question of undervalued transactions, the court held that the court had conducted a major procedural default. Adjudication under Section 43 and 45 of IBC require a certain procedure including a proper application, document scrutiny and a notice to the party whose transaction was impugned. Since there was no filed application by the RP, the NCLT's finding regarding the assessment deed of 2017 was rendered coram non judice and against the principles of natural justice.[30]

Critical Analysis

The judgement clearly delineates the jurisdictional boundaries of insolvency tribunals by holding that the NCLT cannot adjudicate upon Trademark ownership disputes unrelated to insolvency process and therefore, the Supreme Court has prevented Insolvency tribunals to be converted into courts of general jurisdiction.

Moreover, the most significant takeaway from the judgement is that the IBC is not an IP court which serves as a crucial precedent that insolvency tribunals are not substitute of specialized IP jurisdiction and they cannot assume jurisdiction over complex Intellectual Property Matters merely because one of the parties is undergoing insolvency.

Further the judgement reinforces and prohibits modifications to approved resolution plans and protects the sanctity and binding nature of resolution plans under Section 31 of IBC. The judgement has a major contribution in how intangible assets like trademarks are treated in insolvency proceedings and that the valuation requires a proper statutory route and cannot be

[29] *Gloster Limited v. Gloster Cables Limited & Ors.*, 2026 INSC 81, ¶ 38 (India).
[30] *Gloster Limited v. Gloster Cables Limited & Ors.*, 2026 INSC 81, ¶¶ 42–46 (India).

casually adjudicated by insolvency tribunals.

Conclusion

Gloster Limited v. Gloster Cables Limited and Ors. is a landmark judgement which clarifies how Trademarks and brand equity should be treated when a company enters corporate insolvency. It establishes that while a trademark is certainly a valuable asset of a corporate debtor forming part of the resolution plan, the NCLT does not have the jurisdiction to decide over the ownership status of the trademark particularly when rival claims already exist in the resolution plan. It upheld the sanctity of civil and Intellectual property forums in deciding over complex matters and strengthened the procedural safeguards around avoidance under Section 43 and 45 of IBC. Conclusively, this case is a clear illustration of the crucial requirement that intangible assets like trademarks receive fair adjudication at relevant forums before they are stripped from their claimed owner.