



IBC Case Law Capsule

Number 262

(February 09, 2026)



Gloster Ltd. Vs. Gloster Cables Ltd & Ors.

Civil Appeal No. 2996/2024 WITH Civil Appeal No. 4493/2024

Date of Supreme Court's Judgment: 22nd January 2026

Facts of the Case: -

These two appeals arise from the judgment of the National Company Law Appellate Tribunal (NCLAT), Principal Bench, New Delhi dated 25.01.2024 in Company Appeal (AT) (Ins.) No. 1343 of 2019. While one civil appeal was filed by Gloster Limited – the Successful Resolution Applicant (SRA), another cross-appeal filed by Respondent No.1-Gloster Cables Limited (GCL), challenging the findings in the impugned judgment insofar as it held that the Adjudicating Authority (AA/NCLT) had the jurisdiction to declare on the aspect of title to the trademark “Gloster”.

The CIRP of Fort Gloster Industries Limited (“Corporate Debtor/CD”) was initiated on an application filed under Section 9 of the IBC by a former employee of the CD. Upon admission of the application, a Resolution Professional was appointed and the CIRP commenced in accordance with the provisions of the Code. During the CIRP, a Resolution Plan submitted by Gloster Limited was placed before the Committee of Creditors (CoC), duly considered and approved. Pursuant thereto, the Resolution Professional filed an application before the Adjudicating Authority, seeking approval of the Resolution Plan. While the application for approval of the Resolution Plan was pending, Gloster Cables Limited filed an application before the AA claiming ownership over the trademark “GLOSTER” and objecting to its treatment as an asset of the CD under the Resolution Plan. It was contended that the said trademark did not belong to the CD and could not form part of the assets resolved under the CIRP. By its order, the Adjudicating Authority approved the Resolution Plan submitted by Gloster Limited. While doing so, the AA also made certain observations with respect to the ownership of the trademark “GLOSTER”, holding that the said trademark formed part of the assets of the CD. The application filed by Gloster Cables Limited was accordingly dismissed.

Aggrieved by the observations of the AA concerning the ownership of the trademark, Gloster Cables Limited preferred an appeal before the NCLAT. By the impugned judgment, the NCLAT held that the AA did not have jurisdiction under the Code to decide disputes relating to ownership of trademarks and further held that the trademark “GLOSTER” did not belong to the CD. Aggrieved by the said judgment, the parties approached the Supreme Court by way of the present appeals.



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Supreme Court's Observations:

The Supreme Court considered whether the AA, while exercising jurisdiction under the IBC, could determine disputes relating to ownership of intellectual property, specifically the trademark “GLOSTER”. The Court observed that the jurisdiction of the NCLT under the IBC is limited to matters which arise directly in relation to the insolvency resolution of the CD and does not extend to adjudication of independent civil or commercial disputes concerning title or ownership of assets, particularly where such disputes involve third parties. The Court noted that while the Resolution Professional and the AA are required to identify and deal with the assets of the CD for the purpose of resolution, such exercise cannot confer jurisdiction upon the NCLT to conclusively decide questions of ownership which are disputed and require adjudication by a competent civil forum. The Supreme Court held that any observations made by the AA on the ownership of the trademark were incidental and could not attain finality or bind parties claiming independent rights.

The Court further observed that approval of a Resolution Plan under Section 31 of the Code does not have the effect of extinguishing or overriding third-party proprietary rights which were never vested in the CD. It is reiterated that a resolution applicant acquires only such rights and interests as legitimately belonged to the CD and were capable of being transferred under law. At the same time, the Supreme Court clarified that the NCLAT was correct in holding that the AA could not assume jurisdiction to finally adjudicate the trademark dispute. However, it cautioned that appellate interference should be limited to correcting jurisdictional excess and should not result in conclusive findings on ownership, which remain open to be determined in appropriate proceedings. Accordingly, the Court delineated the boundary between insolvency jurisdiction and adjudication of independent proprietary disputes, emphasising that the IBC is not a forum for resolution of title disputes unconnected with insolvency.

Order/Judgement: Considering the facts and circumstances of the case as highlighted above, the Supreme Court noted that the findings of the NCLT, specifically with respect to adjudicating on the ownership of the trademark, are perverse and in gross violation of the principles of natural justice and beyond the scope of the enquiry as far as the present case is concerned. While doing so, the Court also clarified that these observations would not come in the way of any other Court or authority deciding the issue of title to the trademark “Gloster”, if the parties herein litigate upon and those proceedings will be decided on their own merits uninfluenced by these observations.

Case Review: Appeals disposed off accordingly.