

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
NORTH CAROLINA, WESTERN DIVISION

**Atlas Power Technologies, Inc. v. Sidney W. Hinton; Utility
Innovation Holdings, Inc.; Utility Innovation Group, LLC; and
GridSure, LLC**

Atlas Power Technologies · No. 5:25-CV-00783-M · Decided December 3, 2025

SUMMARY

The United States District Court for the Eastern District of North Carolina partially grants Atlas Power Technologies, Inc.’s motion for a temporary restraining order against Sidney W. Hinton and related entities in a trade-secret misappropriation action. The order prohibits use or disclosure of Atlas’s confidential information and trade secrets, restricts commercialization of the disputed control system, requires preservation and return of materials, sets a \$100,000 bond, seals specified filings, and schedules a preliminary-injunction hearing.

CASE DETAILS

COURT	United States District Court for the Eastern District of North Carolina, Western Division
WRITING FOR THE COURT	Richard E. Myers II
JURISDICTION	United States District Court for the Eastern District of North Carolina, Western Division
DECIDED	December 3, 2025
DOCKET	5:25-CV-00783-M
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved ex parte for a temporary restraining order, a preliminary injunction, a teleconference hearing, and sealing of documents in an action alleging trade-secret misappropriation. The court granted the TRO in part, denied it in part, held the preliminary-injunction request in abeyance, denied the teleconference motion as moot, granted the motion to seal, and ordered a \$100,000 bond.
STANDARD OF REVIEW	To obtain a temporary restraining order, the movant must show a likelihood of success on the merits, likely irreparable harm absent preliminary relief, that the balance of equities favors relief, and that an

injunction is in the public interest. An ex parte TRO additionally requires compliance with Federal Rule of Civil Procedure 65(b).

PRECEDENTIAL VALUE

Nonprecedential interlocutory district-court order

TOPICS

injunctions

trade secrets

misappropriation of trade secrets

injunction bonds

civil procedure

PRACTICE AREAS

civil procedure

trade secrets

misappropriation of trade secrets

injunctions

commercial litigation

QUESTIONS PRESENTED

1. Whether Atlas established the requirements for a temporary restraining order under *Winter v. Natural Resources Defense Council, Inc.*
2. Whether Atlas showed a prima facie likelihood of success on its Defend Trade Secrets Act claim.
3. Whether Atlas demonstrated likely irreparable harm, a favorable balance of equities, and that a TRO would serve the public interest.
4. Whether Atlas satisfied the ex parte requirements of Federal Rule of Civil Procedure 65(b).
5. What security bond was proper under Federal Rule of Civil Procedure 65(c).
6. Whether the identified filings should be maintained under seal.

HOLDINGS

1. Atlas made a prima facie showing that the alleged power-solution technology was a trade secret and that Defendants likely misappropriated it, sufficient to support a TRO pending a hearing on preliminary injunctive relief.
2. Atlas demonstrated a sufficient likelihood of irreparable harm because continued disclosure or use of an allegedly misappropriated trade secret could cause permanent loss of secrecy, customers, or goodwill that money damages might not repair.
3. The balance of equities and the public interest favored temporary injunctive relief because Atlas faced potential irreparable trade-secret harm while Defendants would primarily experience a temporary delay in commercializing the disputed technology.
4. Atlas satisfied Federal Rule of Civil Procedure 65(b)(1) because the verified complaint and affidavit identified specific facts showing that immediate and irreparable injury could occur before Defendants could be heard, and counsel certified the notice efforts in writing.
5. Atlas was required to post a \$100,000 bond as security for costs and damages that Defendants might sustain if wrongfully restrained.
6. The unredacted verified complaint, supporting memorandum, declaration, and attached exhibits were properly maintained under seal because they contained confidential information relating to potential

trade secrets and sealing was the least drastic alternative.

KEY QUOTATIONS

“To obtain a temporary restraining order (TRO), the movant must show “he is likely to succeed on the merits, that he is likely to suffer irreparable harm in the absence of preliminary relief, that the balance of equities tips in his favor, and that an injunction is in the public interest.””

“A trade secret once lost is, of course, lost forever.”

“The court grants this TRO out of an abundance of caution—specifically based on the unique nature of the harm and based on Plaintiff's factual allegations—but offers no opinion regarding the ultimate merits of Plaintiff's action or whether a preliminary injunction is appropriate.”

FACTUAL BACKGROUND

Atlas developed in secret a technology intended to address fluctuations in artificial-intelligence data-center power systems. Atlas contracted with a California supplier of power-conversion systems but declined the supplier's proposal to develop a joint product, choosing to keep Atlas's power solution separate and confidential. Sidney W. Hinton served on Atlas's board and received detailed information about the technology and the supplier's interest; Hinton later founded and led Utility Innovation Group, which allegedly planned to commercialize with the same supplier a product using technology identical to Atlas's power solution.

PROCEDURAL HISTORY

Atlas Power Technologies filed a verified complaint and moved for a temporary restraining order and preliminary injunction against Sidney W. Hinton and the defendant entities. The district court evaluated the verified complaint and supporting attachments without deciding the ultimate merits, entered a fourteen-day TRO effective December 3, 2025, denied one proposed restraint, scheduled a preliminary-injunction hearing for December 17, 2025, and required Plaintiff to post a \$100,000 bond.

DISPOSITION

other

CASES CITED

- Winter v. Natural Resources Defense Council, Inc., 555 U.S. 7, 20, 24 (2008)
- McNeil-PPC, Inc. v. Granutec, Inc., 919 F. Supp. 198, 201 (E.D.N.C. 1995)
- Direx Israel, Ltd. v. Breakthrough Medical Corp., 952 F.2d 802, 812, 814 (4th Cir. 1991)
- Person v. Mayor & City Council of Baltimore, 437 F. Supp. 2d 476, 479 (D. Md. 2006)
- Hughes Network Systems v. InterDigital Communications Corp., 17 F.3d 691, 694 (4th Cir. 1994)
- Multi-Channel TV Cable Co. v. Charlottesville Quality Cable Operating Co., 22 F.3d 546, 552 (4th Cir. 1994)
- FMC Corp. v. Taiwan Tainan Giant Industrial Co., 730 F.2d 61, 63 (2d Cir. 1984)
- Teksystems, Inc. v. Spotswood, 2005 WL 8174397, at *5 (D. Md. June 29, 2005)

- Brightview Group, LP v. Teeters, 441 F. Supp. 3d 115, 141-142 (D. Md. 2020)
- E. I. du Pont de Nemours & Co. v. Kolon Industries, Inc., 894 F. Supp. 2d 691, 708 (E.D. Va. 2012)
- E. I. du Pont de Nemours & Co. v. Kolon Industries, Inc., 564 F. App'x 710, 712-13 (4th Cir. 2014)
- NaturaLawn of America, Inc. v. West Group, LLC, 484 F. Supp. 2d 392, 404 (D. Md. 2007)
- M Corp. v. Infinitive, Inc., 2024 WL 4696132, at *9 (E.D. Va. Nov. 6, 2024)
- Ashcraft v. Conoco, Inc., 218 F.3d 288, 302 (4th Cir. 2000)

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