

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA

Oracle America, Inc. v. Procore Technologies, Inc.

Oracle v. Procore · No. 24-cv-07457-JST · Decided April 9, 2025

SUMMARY

The United States District Court for the Northern District of California denied motions by Mark Mariano to compel arbitration and dismiss, and by Procore Technologies, Inc. and Procore Payment Services, Inc. to stay or dismiss. The court held that the proprietary-information agreement’s federal-court venue provision governed Oracle’s trade-secret claims rather than the employment agreement’s arbitration provision. The court also held that Oracle sufficiently pleaded the particularity of its alleged trade secrets and misappropriation under the Defend Trade Secrets Act.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Jon S. Tigar
JURISDICTION	United States District Court for the Northern District of California
DECIDED	April 9, 2025
DOCKET	24-cv-07457-JST
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs brought claims under the Defend Trade Secrets Act, breach of contract, and unjust enrichment. Defendant Mark Mariano moved to compel arbitration and stay the action or, alternatively, dismiss the DTSA claim. Defendants Procore Technologies, Inc. and Procore Payment Services, Inc. moved to stay the action or, alternatively, dismiss the DTSA claim. The district court denied all motions.
STANDARD OF REVIEW	On a motion to compel arbitration, the court determines whether a valid arbitration agreement exists and whether it encompasses the dispute, applying the summary-judgment standard to factual disputes. Contract-formation issues are decided by the court. On a Rule 12(b)(6) motion, dismissal is proper only when the complaint lacks a cognizable legal theory or sufficient facts to support one; well-pleaded factual allegations are accepted as true and construed in the plaintiff’s favor.

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether the arbitration delegation provision in Mariano's Employment Agreement delegated to an arbitrator the question whether Oracle's claims governed by a separate Proprietary Information Agreement were arbitrable.
2. Whether Oracle's claims arose under the more specific Proprietary Information Agreement's federal-court venue provision rather than the Employment Agreement's general arbitration provision.
3. Whether Procore's motion to stay the action pending arbitration should be granted.
4. Whether Oracle pleaded its DTSA claims with sufficient particularity as to the alleged trade secrets.
5. Whether Oracle sufficiently pleaded DTSA misappropriation by Mariano.
6. Whether Oracle sufficiently pleaded Procore's vicarious liability for Mariano's alleged misappropriation.

HOLDINGS

1. A delegation provision in one agreement does not delegate to an arbitrator the arbitrability of claims governed by a separate agreement containing a federal-court venue provision when the agreements have not been merged into a single contract.
2. Claims concerning misappropriation of Oracle's proprietary information were subject to the Proprietary Information Agreement's provision authorizing suit in federal court, not the Employment Agreement's more general arbitration provision.
3. Procore was not entitled to stay the action pending arbitration because the court denied Mariano's motion to compel arbitration.
4. Oracle sufficiently pleaded the particularity of its alleged trade secrets to survive Rule 12(b)(6).
5. Oracle sufficiently pleaded DTSA misappropriation by Mariano.
6. Oracle sufficiently pleaded that Procore was vicariously liable for Mariano's alleged misappropriation.

KEY QUOTATIONS

"In short, the Court cannot conclude that the Employment Agreement's delegation of arbitrability operates to delegate to arbitration questions regarding the separate Proprietary Information Agreement." (at 6)

"Accordingly, the Court holds that the Proprietary Information Agreement's venue provision authorizes Oracle to bring claims related to misappropriation of its proprietary information in this Court rather than

arbitration.” (at 9)

“Accordingly, the Court finds Oracle has sufficiently pled its DTSA claim against Mariano and Procore.” (at 13)

FACTUAL BACKGROUND

Oracle hired Mariano in 2016 after acquiring his previous employer, and he worked on Oracle's Textura Payment Management solution and related enterprise-resource-planning integrations until October 2021. Oracle alleged that Mariano retained thousands of confidential Oracle materials and later transferred files, including source code and other trade-secret materials, from an Oracle computer to a Procore-issued laptop after joining Procore. Oracle alleged that Procore subsequently launched technology competing with Oracle's product.

PROCEDURAL HISTORY

Oracle filed the action on October 25, 2024. Mariano sought to compel arbitration based on an employment agreement and to dismiss the DTSA claim; Procore and Procore Payment Services separately sought a stay pending arbitration and dismissal of the DTSA claim. The court denied the motions to compel arbitration, to stay, and to dismiss.

DISPOSITION

other

CASES CITED

- AT&T Mobility LLC v. Concepcion, AT&T Mobility LLC v. Concepcion, 563 U.S. 333, 339 (2011)
- Chiron Corp. v. Ortho Diagnostic Sys., Inc., 207 F.3d 1126, 1130 (9th Cir. 2000)
- Hansen v. LMB Mortg. Servs., Inc., 1 F.4th 667, 670 (9th Cir. 2021)
- First Options of Chi., Inc. v. Kaplan, 514 U.S. 938, 944 (1995)
- Suski v. Coinbase, Inc., 55 F.4th 1227, 1229, 1231 (9th Cir. 2022)
- Green Tree Fin. Corp. Ala. v. Randolph, 531 U.S. 79, 91 (2000)
- Alberto v. Cambrian Homecare, 91 Cal. App. 5th 482, 491 (2023)
- Tulare Golf Course, LLC v. Vantage Tag, Inc., 2023 WL 2587994, at *6-7 (E.D. Cal. Mar. 21, 2023)
- Mountain Air Enters., LLC v. Sundowner Towers, LLC, 3 Cal. 5th 744, 760 (2017)
- Coinbase, 602 U.S. 143, 152 (2024)
- Oracle Am., Inc. v. Myriad Grp. A.G., 724 F.3d 1069, 1074-75 (9th Cir. 2013)
- Lopes v. Oracle Am., Inc., 2022 WL 4281354, at *1, *5 n.1 (N.D. Cal. Sept. 15, 2022)
- Goodman v. Severin, 274 Cal. App. 2d 885, 895 (1969)
- Shivkov v. Artex Risk Sols., Inc., 974 F.3d 1051, 1063 (9th Cir. 2020)
- Mohamed v. Uber Techs., Inc., 848 F.3d 1201 (9th Cir. 2016)
- Hughes Air Corp. v. Pub. Utils. Comm'n, 644 F.2d 1334, 1338 (9th Cir. 1981)

- Daniel v. Ford Motor Co., 806 F.3d 1217, 1224 (9th Cir. 2015)
- Producers Dairy Delivery Co. v. Sentry Inc. Co., 41 Cal. 3d 903, 912 (1986)
- Neal v. State Farm Ins. Cos., 188 Cal. App. 2d 690, 693-94 (1961)
- Mendiondo v. Centinela Hosp. Med. Ctr., 521 F.3d 1097, 1104 (9th Cir. 2008)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- MedioStream, Inc. v. Microsoft Corp., 869 F. Supp. 2d 1095, 1113 (N.D. Cal. 2012)
- Nat'l Specialty Pharmacy, LLC v. Padhye, 734 F. Supp. 3d 922, 930 (N.D. Cal. 2024)
- Arthur J. Gallagher & Co. v. Tarantino, 498 F. Supp. 3d 1155, 1172-73 (N.D. Cal. 2020)
- TMX Funding, Inc. v. Impero Tech. Inc., 2010 WL 2509979, at *3 (N.D. Cal. June 17, 2010)
- Salesforce.com, Inc. v. GEA, Inc., 2021 WL 9860787, at *6-7 (N.D. Cal. Feb. 2, 2021)
- Cisco Sys., Inc. v. Chung, 2020 WL 4505509, at *5 (N.D. Cal. Aug. 5, 2020)
- E. & J. Gallo Winery v. Instituut Voor Landbouw—En Viserijonderzoek, 2018 WL 2463869, at *7 (E.D. Cal. June 1, 2018)
- Neutron Holdings, Inc. v. Hertz Corp., 2023 WL 3919465, at *5 (N.D. Cal. June 8, 2023)
- Brain Injury Ass'n of Cal. v. Yari, 2020 WL 3643482, at *6 (C.D. Cal. Apr. 30, 2020)