UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

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

No. 24-cv-07457-JST (N.D. Cal. Aug. 5, 2025) · No. 24-cv-07457-JST · Decided August 5, 2025

SUMMARY

The United States District Court for the Northern District of California grants in part and denies in part Defendant Mark Mariano's motion to stay proceedings pending his interlocutory appeal of the denial of his motion to compel arbitration. The Court stays Oracle's claims against Mariano but declines to stay the claims against Procore, concluding that Oracle may suffer ongoing competitive harm and that a stay would not materially promote the orderly course of justice.

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	August 5, 2025
DOCKET	24-cv-07457-JST
DISPOSITION	other
PROCEDURAL POSTURE	Defendant Mark Mariano moved to stay district court proceedings pending his interlocutory appeal from the denial of his motion to compel arbitration. He also sought a discretionary stay of Oracle's claims against the Procore defendants.
STANDARD OF REVIEW	A stay pending an interlocutory appeal on arbitrability is mandatory. A discretionary stay of claims against nonappealing parties is evaluated under the Landis factors: potential damage from the stay, hardship or inequity absent a stay, and the orderly course of justice.
PRECEDENTIAL VALUE	unknown
PARTIES	Mark Mariano v. Oracle America, Inc., Oracle International Corporation, Textura Corporation

TOPICS

arbitration · appellate procedure · civil procedure · trade secrets · commercial litigation

PRACTICE AREAS

civil procedure · arbitration · trade secret misappropriation · commercial litigation

QUESTIONS PRESENTED

1. Whether the district court was required to stay Oracle's claims against Mariano while Mariano pursued an interlocutory appeal concerning arbitrability.
2. Whether the court should exercise its discretion to stay Oracle's claims against the Procore defendants pending Mariano's appeal.

HOLDINGS

1. A district court must stay its proceedings as to claims against a party while that party's interlocutory appeal on arbitrability is pending; therefore, the action was stayed as to Mariano.
2. A discretionary stay of Oracle's claims against Procore was not warranted because Oracle showed substantial potential competitive harm, Mariano did not show sufficient hardship or inequity absent a stay, and the appeal was unlikely to affect the orderly course of justice.

KEY QUOTATIONS

> *"[A] district court must stay its proceedings while the interlocutory appeal on arbitrability is ongoing."* (at 1)

> *"The burden is on the movant to show that a stay is appropriate."* (at 2)

> *"Without more, that risk does not require granting a stay."* (at 3)

FACTUAL BACKGROUND

Oracle alleges that Mariano took Oracle trade secrets when he left Oracle to work for competitor Procore. Oracle further alleges that Mariano and Procore used the trade secrets to develop a competing product, which Oracle discovered after the product launched. Oracle alleged that Procore continued to market and sell the product, creating ongoing competitive harm.

PROCEDURAL HISTORY

Oracle sued Procore Technologies, Inc., Procore Payment Services, Inc., and Mark Mariano for trade-secret misappropriation, breach of contract, and unjust enrichment. Mariano moved to compel arbitration and stay the proceedings, or alternatively to dismiss; Procore separately moved to stay or dismiss. The district court denied those motions, Mariano appealed the arbitration ruling, and then moved for a stay pending appeal. The court granted a stay as to Oracle's claims against Mariano but denied a discretionary stay as to the Procore defendants.

DISPOSITION

other

CASES CITED

- Coinbase v. Bielski, 599 U.S. 736, 740 (2023)
- Lockyer v. Mirant Corp., 398 F.3d 1098, 1110 (9th Cir. 2005)
- CMAX, Inc. v. Hall, 300 F.2d 265, 268 (9th Cir. 1962)
- Clinton v. Jones, 520 U.S. 681, 708 (1997)
- United Comm'ns Hub, Inc. v. Qwest Comm'ns, Inc., 46 Fed. App'x 412, 415 (9th Cir. 2002)
- Pandolfi v. Aviagames, Inc., No. 23-cv-05971-EMC, 2024 WL 4951258, at *1, *6, *18 (N.D. Cal. Dec. 3, 2024)
- Avery v. TekSystems, Inc., 757 F. Supp. 3d 973, 978 (N.D. Cal. 2024)
- Ireland-Gordy v. Tile, Inc., No. 3:23-cv-04119-RFL, Dkt. 89 (N.D. Cal. Mar. 25, 2025)
- Cal. Crane Sch., Inc. v. Google, LLC, 621 F. Supp. 3d 1024, 1033-34 (N.D. Cal. 2022)

OPINION

1 2 3 4 UNITED STATES DISTRICT COURT 5 NORTHERN DISTRICT OF CALIFORNIA 6 7 ORACLE AMERICA, INC., et al., Case No. 24-cv-07457-JST 8 Plaintiffs, ORDER GRANTING IN PART AND 9 v. DENYING IN PART MOTION TO STAY PENDING APPEAL 10 PROCORE TECHNOLOGIES, INC., et al., Re: ECF No. 96 Defendants. 11 12 13 Before the Court is Defendant Mark Mariano’s motion to stay district court proceedings 14 pending appeal.

ECF No. 96. For the reasons explained herein, the Court will grant the motion in 15 part and deny it in part. 16 I. BACKGROUND 17 Plaintiffs Oracle America, Inc., Oracle International Corporation, and Textura Corporation 18 (together, “Oracle”) assert claims against Defendants Procore Technologies, Inc. and Procore 19 Payment Services, Inc. (together, “Procore”) and Mariano, alleging that Mariano took Oracle trade 20 secrets with him when he stopped working for Oracle and started working for competitor Procore.

21 ECF No. 1 ¶ 49–52. Oracle alleges Mariano used these improperly retained Oracle trade secrets in 22 the development of a competing product, which Oracle only discovered after Procore’s launch of 23 that product. Id. ¶ 51. 24 Oracle filed this lawsuit on October 25, 2024, asserting claims for trade secret 25 misappropriation, breach of contract, and unjust enrichment.

Mariano moved to compel 26 arbitration and stay proceedings, or in the alternative, to dismiss the complaint. ECF No. 38. 27 Procore also moved to stay or in the alternative dismiss the case. ECF No. 40. The Court denied 1 Mariano now moves to stay all district court proceedings during the pendency of his appeal 2 of the Court’s order denying his motion to compel arbitration.

ECF No. 96. Oracle opposes the 3 motion. ECF No. 109-3. Mariano has filed a reply. ECF No. 114. 4 II. DISCUSSION 5 A. Stay of Oracle’s Claims Against Mariano 6 Mariano first seeks a stay of district court proceedings in Oracle’s claims against Mariano 7 during the pendency of his interlocutory appeal of the Court’s order denying his motion to compel 8 arbitration. “[A] district court must stay its proceedings while the interlocutory appeal on arbitrability is ongoing.” Coinbase v. Bielski, 599 U.S. 736, 740 (2023).

Oracle “do[es] not oppose [Mariano’s] request for a stay of Oracle’s claims against him.” ECF No. 109-3 at 5. Accordingly, the Court will stay the action as to Mariano. B. Stay of Oracle’s Claims Against Procore Defendants Mariano next seeks a discretionary stay of Oracle’s claims against Procore.

The parties agree that the Court should apply the Landis standard, which requires the court to weigh “the possible damage which may result from the granting of a stay, the hardship or inequity which a party may suffer [if the case is allowed] to go forward, and the orderly course of justice measured in terms of the simplifying or complicating of issues, proof, and questions of law which could be expected to result from a stay.” Lockyer v. Mirant Corp., 398 F.3d 1098, 1110 (9th Cir.

2005) (quoting CMAX, Inc. v. Hall, 300 F.2d 265, 268 (9th Cir. 1962)). The burden is on the movant to show that a stay is appropriate. See Clinton v. Jones, 520 U.S. 681, 708. The Ninth Circuit has expressed “a preference for proceeding with the non-arbitrable claims when feasible.” United Comm’ns Hub, Inc. v. Qwest Comm’ns, Inc., 46 Fed. App’x 412, 415 (9th Cir.

2002). Balancing the relevant factors, the Court concludes a stay of proceedings as to Procore is not warranted. First, Oracle has made a compelling showing that it may suffer harm if the Court stays these proceedings pending Mariano’s appeal. Oracle alleges that Procore’s recently released products “were created using Oracle’s trade secrets” and that Procore “continues to sell that same great detriment.” ECF No. 109-3 at 4.

For this reason, the instant case differs from Pandolfi v. Aviagames, Inc., No. 23-cv-05971-EMC, 2024 WL 4951258 (N.D. Cal. Dec. 3, 2024), on which Mariano principally relies. In Pandolfi, the court said the plaintiffs “failed to articulate any real harm if a stay were to be imposed.” Id. at *6. By contrast, courts decline to grant discretionary stays where, as here, the opposing party has made a strong case for ongoing competitive harm.

Avery v. TekSystems, Inc., 757 F. Supp. 3d 973, 978 (N.D. Cal. 2024) (“Because the suit includes allegations of ongoing and future harms as to” class members whose claims were not subject to the appeal, those “class members have a strong interest in moving their claims forward.”).

The first factor thus weighs against a stay. Second, Mariano has not shown that he will suffer “hardship or inequity,” Lockyer, 398 F.3d at 1110, in the absence of a stay of claims against Procore. On this point, Mariano simply quotes Pandolfi’s finding that the appealing defendants “would not have the opportunity to participate in discovery before this Court” and, if the appeal were denied, “at least some of the 14 discovery would have to be redone.” ECF No. 96 at 3 (quoting Pandolfi, 2024 WL 4951258, at 15 *18).

While the Court recognizes that the court in Pandolfi found that discovery concerns 16 sufficiently supported a showing of “hardship or inequity,” the facts there were different: the case 17 was “already stayed against the alleged primary wrongdoers” and the only remaining question was 18 whether to stay the case as to two defendants that were “venture capital investment firms that 19 invested in” the principal defendant corporation.

Id. at *1, *6. Here, by contrast, Oracle alleges 20 that Procore is a primary wrongdoer, which is developing, marketing, and selling a product that 21 uses Oracle’s trade secret material. Moreover, other courts have reached a contrary conclusion to 22 Pandolfi with respect to the hardship or inequity caused by differences in discovery timelines. 23 See, e.g., Ireland-Gordy v. Tile, Inc., No. 3:23-cv-04119-RFL, Dkt.

89 (N.D. Cal. Mar. 25, 2025) 24 (risks that appealing defendants may later “assert a right to reopen discovery, seek additional and 25 different written and document discovery or relitigate decided discovery disputes” or “relitigate 26 the merits of the case at the motion to dismiss stage or other later, even more substantive inflexion 27 points” were speculative, and “sequential litigation” was not certain to cause hardship or inequity); 1 limited, while the potential damage which may result from a stay is substantial” and thus declining 2 || adiscretionary stay of plaintiffs’ claims not involved in appeal).

3 Third, the Court finds that the appeal is unlikely to affect the “orderly course of justice,” 4 Lockyer, 398 F.3d at 1110, such that a stay would be warranted. Oracle will need to “litigate the 5 || remaining non-arbitrable claims” against Procore “irrespective of whatever happens in the 6 || arbitration,” so “proceeding with this lawsuit would not waste judicial resources.” Cal. Crane 7 Sch., Inc. v. Google, LLC, 621 F. Supp. 3d 1024, 1033 (N.D.

Cal. 2022). Indeed, in circumstances 8 || where one defendant has an arbitration agreement and another does not, “the possibility that 9 || parallel proceedings could produce inconsistent results is simply inevitable. Without more, that 10 || risk does not require granting a stay.” Id. at 1034. 11 CONCLUSION 12 For the foregoing reasons, Mariano’s motion to stay district court proceedings pending 13 appeal is granted as to Oracle’s claims against Mariano and denied as to claims against Procore.

IT IS SO ORDERED. 3 15 || Dated: August 5, 2025. 16 JON S. TIG 17 United States District Judge 18 19 20 21 22 23 24 25 26 27 28