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UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

REX – REAL ESTATE EXCHANGE, INC., a  
Delaware corporation,

Plaintiff,

v.

ZILLOW, INC., a Washington corporation;  
ZILLOW GROUP, INC., a Washington  
corporation; ZILLOW HOMES, INC., a  
Delaware corporation; ZILLOW LISTING  
SERVICES, INC., a Washington corporation;;  
TRULIA, LLC, a Delaware limited liability  
company; and THE NATIONAL  
ASSOCIATION OF REALTORS, an Illinois  
trade association,

Defendants.

No. 2:21-cv-00312-TSZ

AMENDED COMPLAINT FOR  
INJUNCTIVE RELIEF AND FOR  
DAMAGES

DEMAND FOR JURY TRIAL

1. REX – Real Estate Exchange, Inc. (“REX”) brings this action against Zillow, Inc., Zillow Group, Inc., Zillow Homes, Inc., Zillow Listing Services, Inc., Trulia, LLC (collectively “Zillow”), and the National Association of Realtors (“NAR”) under federal and state antitrust laws, the Lanham Act, and deceptive trade laws and alleges as follows:

AMENDED COMPLAINT FOR INJUNCTIVE RELIEF  
AND FOR DAMAGES - 1  
Case No.: 2:21-cv-00312-TSZ

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**I. NATURE OF THE ACTION**

2. REX brings this lawsuit to keep the digital hubs of the real estate economy open so that consumers have the benefit of innovation and cost savings that come from competition. The internet has radically altered how Americans shop for homes. For most consumers, home buying begins on a mobile device or laptop. Consumers can search for homes by location, price, square footage, numbers of bedrooms and bathrooms, and other categories. In an instant, consumers can view images of homes that fit their preferences—and much more. The internet continues to evolve to satisfy the needs of home buyers. In addition to finding properties, home shoppers can tour properties virtually. Offers are now made online and closing documents are notarized on Zoom.

3. Websites that aggregate homes for sale are the digital hubs of the new real estate economy. They attract billions of views every year by gathering a vast inventory of homes and allowing consumers to customize their searches. Search capabilities allow consumers to find individual residences within predefined parameters and then track properties that interest them. Consumers can now perform a substantial amount of their home searches online, at their leisure, instead of spending weekend after weekend at open houses and showing appointments.

4. Aggregator sites facilitate transactions that allow millions of Americans every year to relocate for new personal and professional opportunities. Home sellers know that interested buyers flock to aggregator sites and highly value having their homes listed on those sites.

5. This democratization of access to real estate inventory changes the old dynamic. The NAR and Multiple Listing Services (“MLS”) largely controlled access to real estate markets, and related brokerage services, because they controlled home inventory information. Direct consumer access to available homes—and the ability for non-NAR, non-MLS licensed brokers and agents to make homes directly visible to consumers—opens the pathway for new, innovative

1 real estate service providers. And, critically, it introduces competition that benefits consumers  
2 through greater choice and downward pressure on traditionally high commission structures.

3 6. REX co-founders Jack Ryan and Lynley Sides launched REX in 2015 to disrupt  
4 the traditional real estate model by putting consumers first. REX's innovative model uses  
5 technology to enhance efficiency and drastically reduce brokerage commissions, while  
6 delivering a full suite of personalized services to clients.

7 7. The legacy real estate industry transfers billions of dollars in commissions every  
8 year from home sellers to brokers. In the typical real estate transaction under the traditional  
9 model, the seller is represented by an agent who collects a commission in the range of 2.5 to 3%  
10 of the sale price. The thousands of dollars in commissions paid to the seller agent are only *part* of  
11 the commission fees. Under rules written by NAR and enforced by its member MLSs, sellers  
12 must also make what is essentially a non-negotiable offer of compensation to any agent  
13 representing the ultimate purchaser, generally *another* 2.5 to 3% of the sale price—with total  
14 commissions averaging about 5.5%. Total commissions in a REX transaction average 3.3%,  
15 representing a 40% discount. REX has already returned more than \$29 million in commission  
16 savings to consumers and is on pace to save consumers more than \$100 million annually. On  
17 a \$720,000 home sale—the median price in King County, where REX recently opened  
18 operations—consumers would save \$16,000 in commissions using REX's data-driven, direct-to-  
19 consumer model.

20 8. REX's innovative and competitive model is now threatened by the concerted  
21 action of the NAR and Zillow, along with their MLS affiliates. Zillow recently joined NAR-  
22 affiliated MLSs and adopted their associational rules to conceal all non-MLS listings on Zillow's  
23 heavily trafficked websites. These listing portals, as explained below, are critical channels to  
24 reaching consumers. Zillow's recently implemented website changes make non-MLS listings  
25 accessible only via a recessed, obscured, and deceptive tab that consumers do not see, and even

1 professional real estate agents find deceiving. The result is that REX's listings are losing  
2 significant traffic, severely impacting REX's reputation, its ability to execute its innovative and  
3 disruptive business model, and driving consumers away from REX and back into the MLS  
4 regime, ensuring higher commissions that benefit NAR's members.

5 9. If the NAR and its MLS partners, which now include Zillow, are allowed to once  
6 again close off transparent access to home inventory by entering into agreements among  
7 themselves that disadvantage all but their own membership, consumers and competition will  
8 suffer.

## 10 II. THE PARTIES

11 10. Plaintiff REX is a Delaware corporation in good standing, incorporated as REX -  
12 Real Estate Exchange, Inc., with its principal place of business at 3300 N Interstate Hwy 35,  
13 Suite 149, in the City of Austin and State of Texas.

14 11. Defendant National Association of Realtors is a trade association organized and  
15 existing as a non-profit corporation under the laws of the State of Illinois with its principal place  
16 of business at 430 N Michigan Avenue in the City of Chicago and State of Illinois. NAR has  
17 members residing in the State of Washington and within this District. NAR may be served  
18 through its registered agent.

19 12. Defendant Zillow, Inc. is an online real estate marketplace company. Zillow, Inc.  
20 is a general corporation organized and existing under the laws of the State of Washington with  
21 its principal place of business at 1301 Second Avenue, FL 31, in the City of Seattle and State of  
22 Washington. Zillow, Inc. maintains real estate brokerage licenses in a number of states. It may  
23 be served through its registered agent.

24 13. Zillow Group, Inc. offers online real estate services and is a general corporation  
25 organized and existing under the laws of the State of Washington with its principal place of

1 business at 1301 Second Avenue, FL 31, in the City of Seattle and State of Washington. It may  
2 be served through its registered agent.

3 14. Zillow Homes, Inc., is organized and existing under the laws of the State of  
4 Delaware, with its principal place of business at 1301 Second Avenue, FL 31, in the City of  
5 Seattle and State of Washington. It maintains real estate brokerage licenses in a number of states.  
6 It may be served through its registered agent.

7 15. Zillow Listing Services, Inc. offers miscellaneous real estate services. It  
8 maintains real estate brokerage licenses in a number of states. It is a general corporation  
9 organized and existing under the laws of the State of Washington with its principal place of  
10 business at 1301 Second Avenue, FL 31, in the City of Seattle and State of Washington. It may  
11 be served through its registered agent.

12 16. Trulia, LLC is a limited liability company organized and existing under the laws  
13 of the State of Delaware with its principal place of business at 1301 Second Avenue, FL 31, in  
14 the City of Seattle and State of Washington and its sole governor is Zillow, Inc. It is a real estate  
15 website. It may be served through its registered agent.

### 17 III. JURISDICTION AND VENUE

18 17. Plaintiff REX brings this action seeking injunctive relief, damages, treble  
19 damages, cost of suit, and reasonable attorneys' fees, arising from Defendants' violations of  
20 Section 1 of the Sherman Antitrust Act, 15 U.S.C. § 1 and Section 1125 of the Lanham Act, 15  
21 U.S.C. § 1125. This Court has subject matter jurisdiction of Plaintiff's federal law claims  
22 pursuant to 28 U.S.C. § 1331 (federal question) and 28 U.S.C. § 1337 (commerce and antitrust  
23 regulation). Plaintiff has standing to bring this action under Sections 4 and 16 of the Clayton  
24 Act, 15 U.S.C. §§ 15, 26.

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