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Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Patent Holder Sues Top RE Cos. Over Site Search Functions

By **Kaitlin Ugolik**

Law360, New York (February 11, 2014, 2:56 PM ET) -- Over the last month, nonpracticing entity Property Disclosure Technologies LLC has launched more than a dozen intellectual property lawsuits in Texas federal court against real estate brokerages and listing websites over the use of property disclosure and insurance assessment technologies.

PDT alleges that the companies are infringing on two patents — U.S. Patent Numbers 7,584,167 and 7,945,530 — some directly and others also indirectly by inducing visitors to their websites to infringe on the patents when they use the company's online products.

"As a direct and proximate consequence of the acts and practices of [the defendants] in infringing, directly and/or indirectly, one or more claims of the [patents], PDT has suffered, is suffering and will continue to suffer injury and damages for which it is entitled to relief ... in an amount to be determined at trial," PDT said in multiple complaints filed against the companies.

The defendants in the suits include Keller Williams Realty Inc., Brer Affiliates LLC, Weichert Co., Century 21 Real Estate LLC, Coldwell Banker Real Estate LLC, Better Homes and Gardens Real Estate LLC, Era Franchise Systems LLC and Sotheby's International Realty Affiliates LLC.

Industry publication Inman News reported Monday that Zillow Inc., Redfin Corp., Re/Max LLC and JB Goodwin Realtors Inc. had also been targeted by PDT, but complaints against those companies could not immediately be located Tuesday.

The suits accuse the companies of operating computerized real estate searching and reporting products on their websites that perform methods claimed in PDT's patents, and regularly direct clients and web users to use these products, furthering the infringement.

The '167 patent, issued in September 2009, describes a real estate reporting method in which documents and data related to real estate disclosures such as flood and natural hazard conditions, contamination and hazardous waste site conditions, landslide conditions and police records are compiled, reported and made available in an Internet-searchable database.

The '530 patent is an extension of the '167 patent, focused more specifically on a method that accesses insurance claim databases and determines whether particular insurance claims have been filed for specific properties and creating a report detailing this information.

PDT argues that Keller Williams, Brer and the other companies operate computerized real estate searching and reporting functionalities on their websites in direct violation of these patents.

"It's the search functions on the defendants' websites and the manner in which the results are displayed" that are allegedly infringing on the patents, according to Chris Joe, an attorney for the plaintiff.

"If you're a customer that's going to a website to look for real estate in a particular area, it's the ability to run that search and then have the information displayed in a categorized manner along with mapping functions," Joe said in an interview Tuesday.

The suits seek as-yet-undetermined damages and attorneys' fees.

Counsel for the defendants did not immediately respond to a request for comment.

The plaintiffs are represented by Chris Joe, Eric Buether, Brian Carpenter, Mark Perantie, Monica Tavakoli and Niknaz Bukovcan of Buether Joe & Carpenter LLC.

Keller Williams is represented by Eric Findlay of Findlay Craft.

Better Homes and Gardens Real Estate, Century 21 Real Estate, Coldwell Banker Real Estate, Era Franchise Systems and Sotheby's International are represented by Richard Basile of St. Onge Steward Johnston & Reens LLC and David Folsom, John Jackson and Matthew Acosta of Jackson Walker LLP.

Counsel information for the other defendants was not immediately available.

The cases are PDT LLC v. Keller Williams, case number 6:14-cv-00019; Brer Affiliates LLC, case number 6:14-cv-00016; Weichert Co., case number 6:14-cv-00036; Better Homes and Gardens Real Estate LLC, case number 6:14-cv-00013; Century 21 Real Estate LLC, case number 6:14-cv-00015; Coldwell Banker Real Estate LLC, case number 6:14-cv-00017; ERA Franchise Systems LLC, case number 6:14-cv-00018; and Sotheby's International Realty Affiliates LLC, case number 6:14-cv-00020; all in the U. S. District Court for the Eastern District of Texas.

--Editing by Katherine Rautenberg.

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