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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

ZILLOW, INC.,

Plaintiff,

v.

TRULIA, INC.

Defendant.

Case No.

COMPLAINT FOR PATENT
INFRINGEMENT

DEMAND FOR JURY TRIAL

Plaintiff Zillow, Inc. (Zillow) for its Complaint against the defendant Trulia, Inc. (Trulia), hereby alleges as follows:

THE PARTIES

1. Plaintiff Zillow is a corporation duly organized under the laws of Washington with its principal place of business at 1301 Second Avenue, Floor 31, Seattle, Washington, 98101.

2. Upon information and belief, Defendant Trulia is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business at 116 New Montgomery Street, #300, San Francisco, California, 94105.

JURISDICTION AND VENUE

3. This action arises under the United States Patent Laws, codified at 35 U.S.C. § 1, et seq.

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2 4. This Court has exclusive subject matter jurisdiction under 28 U.S.C.
3 §§ 1331 and 1338(a).

4 5. Trulia has sufficiently continuous and systematic contacts with this judicial
5 district and the state of Washington to subject it to the jurisdiction of this Court. Trulia's
6 website, Trulia.com, lists properties in this judicial district and throughout Washington for
7 sale and advertises to users, real estate agents, home buyers, home sellers and residents
8 throughout Washington to buy and sell properties and search for real estate information on
9 Trulia.com. On information and belief, Trulia receives revenue from Washington
10 companies who advertise their products and services on Trulia.com. In addition, Trulia has
11 committed acts of infringement in this District, and continues to commit acts of
12 infringement in this District, entitling Zillow to relief.
13

14 6. Venue is proper in the Western District of Washington pursuant to 28
15 U.S.C. §§ 1391(b), (c) and 1400(b), because Trulia has committed acts of direct and
16 indirect infringement in the Western District of Washington, has transacted business in the
17 Western District of Washington, and has established minimum contacts with the Western
18 District of Washington.
19

20 **FACTUAL BACKGROUND**

21 7. Zillow launched its real estate information website Zillow.com in 2006,
22 revolutionizing the industry by offering users its patented Zestimate home valuation
23 ("Zestimate") service. Consistent with its mission to empower users, the Zillow Zestimate
24 permits home owners and real estate professionals to update automatic valuations of homes
25 with additional home facts and information to refine the valuation. To date, more than 33
26 million homes have been updated in this way, or 33 percent of Zillow's database of more
27 than 100 million homes, making the Zillow database substantially more useful and accurate
28

1
2 for users. Zillow's innovative Zestimates have proved very popular and have played a
3 major role in Zillow's success and growth into the largest real estate website, and the most
4 popular suite of mobile real estate applications for smartphones and tablet computers.

5 8. On February 3, 2006, Zillow applied for a patent for one of the innovative
6 processes that has helped drive Zillow's success—Zillow's process for using data input by
7 users to refine Zillow's automatic home valuations. On June 28, 2011, the United States
8 Patent and Trademark Office issued United States Patent No. 7,970,674 B2 (the "'674
9 Patent") to Zillow, for an invention entitled "Automatically Determining A Current Value
10 For A Real Estate Property, Such As A Home, That Is Tailored To Input From A Human
11 User, Such As Its Owner."

12
13 9. Trulia runs another real estate information website, Trulia.com, and also
14 offers mobile real estate applications for smartphones and tablet computers, all of which
15 compete with Zillow for web traffic and revenue. Up until September 7, 2011, Trulia
16 offered no automatic home valuation service to users. On that date, Trulia announced that
17 it too would provide automatic home valuations and that it too would use input from
18 homeowners to refine those valuations.

19
20 10. Trulia calls its version of Zestimates "Trulia Estimates." Like Zestimates,
21 Trulia Estimates provide automatic valuations of properties based on "recent sales of
22 similar homes and home facts like number of bedrooms and bathrooms, square footage, and
23 more." Also like Zestimates and the invention taught by the '674 Patent, Trulia Estimates
24 permit and rely on homeowners to "claim your home" and provide additional information
25 about their properties to refine the automatic valuations. Trulia states on its website: "Our
26 estimates also incorporate updates from homeowners who claim their homes and enhance
27 the profiles for those homes on Trulia."
28

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2 11. The invention taught by the '674 Patent is a key feature of Trulia Estimates
3 and it features prominently in Trulia's own descriptions of the Trulia Estimate feature. For
4 example, when Trulia describes Trulia Estimates on its website, in the first paragraph it
5 states: "You can help us improve our accuracy by telling us what you think of your home's
6 Estimate, and by claiming your home and updating its facts." When Trulia launched Trulia
7 Estimates in beta, Trulia's Head of Communications wrote on the Trulia website:

8
9 Trulia Estimates starts with a number built from local real estate info, including
10 prices of recently sold similar homes, and collects inputs from locals – agents,
11 buyers and owners – to ultimately improve the estimates in those local areas.

12 See [http://corp.truliablog.com/2011/09/07/whats-it-worth-trulia-estimates-launches-](http://corp.truliablog.com/2011/09/07/whats-it-worth-trulia-estimates-launches-in-beta/)
13 [in-beta/](http://corp.truliablog.com/2011/09/07/whats-it-worth-trulia-estimates-launches-in-beta/). And when Trulia launched Trulia Estimates nationwide, Trulia's Head of
14 Communications wrote solely about the homeowner entering data feature to educate
15 homeowners about how they could update the Trulia Estimate for their own home. See
16 <http://corp.truliablog.com/tag/home-value/>.

17 12. When Trulia first launched Trulia Estimates, it was obvious to
18 commentators that Trulia was merely copying Zillow. Commentators accused Trulia of
19 being a "copycat" of Zillow's Zestimate service and predicted that Trulia's copycat version
20 might "ding" Zillow's web traffic. Online Marketing Group reported:

21 Trulia is now jumping on the home valuation bandwagon, launching a beta version
22 of what looks like exactly the same thing as a Zestimate, called a "Trulia Estimate,"
23 for the San Francisco area. I don't know if Trulia is envious of Zillow's successful
24 IPO, or if they are just trying to expand the resources on their site, but I wish it
25 wasn't by copying Zillow to the letter. At least they are not calling it a "TEstimate."

26 See [http://www.onlinemarketinggrp.com/blog-entry/trulia-launches-its-own-](http://www.onlinemarketinggrp.com/blog-entry/trulia-launches-its-own-zestimate-copycatting-zillow-again)
27 [zestimate-copycatting-zillow-again](http://www.onlinemarketinggrp.com/blog-entry/trulia-launches-its-own-zestimate-copycatting-zillow-again).

28 13. An independent technology news site called "GeekWire" published an
article about the similarities between the two home valuation services, titled "Trulia takes a

1
2 swipe at the heart of Zillow, launches its own home valuation tool,” which explained that
3 Trulia Estimates threatened Zillow because it copied one of the innovations that helped set
4 Zillow apart from its competitors:

5 One of the key advantages that Zillow has held over its rivals is the Zestimate. Love
6 it or hate it, Zillow’s automated home valuation service has helped snare curious
7 users who’ve wondered about the current value of their own home or the
8 dilapidated cottage down the street.

9 See <http://www.geekwire.com/2011/trulia-takes-swipe-zillow-launches-home-valuation-tool/>.

10 14. Property Portal Watch described Trulia’s new services and then noted: “Of
11 course, trulia.com competitor zillow.com has been offering its own estimates or
12 ‘Zestimates’ since 2006.” See [http://www.propertyportalwatch.com/2011/09/trulia-](http://www.propertyportalwatch.com/2011/09/trulia-launches-value-estimates/)
13 [launches-value-estimates/](http://www.propertyportalwatch.com/2011/09/trulia-launches-value-estimates/). Mark Wellborn of Urban Turf noticed the similarity between
14 the home owner update feature of Zestimates and Trulia Estimates on the day Trulia
15 Estimates launched, stating: “Another interesting aspect of both the Trulia service and the
16 Zestimate is that users can provide feedback on the home valuations that will affect the
17 valuation in some way.” See
18 [http://dc.urbanturf.com/articles/blog/value_added_trulia_launches_beta_version_of_home](http://dc.urbanturf.com/articles/blog/value_added_trulia_launches_beta_version_of_home_valuation_service/4104)
19 [valuation_service/4104](http://dc.urbanturf.com/articles/blog/value_added_trulia_launches_beta_version_of_home_valuation_service/4104).

20
21 15. On August 17, 2012, Trulia filed a Form S-1 Registration Statement with
22 the Securities and Exchange Commission in an attempt to raise up to \$75 million. In its S-
23 1, Trulia highlighted the importance of its solicitation and receipt of homeowner feedback
24 in refining its automatic home valuations:
25

26 Trulia Estimate is our estimate of an off-market property’s value based on our
27 proprietary analysis of relevant home data such as recent sales of similar homes and
28 property facts. This search function allows users to conduct a precise search by
street address to find our estimate of the value of that home. Additionally, home

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