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Zillow Gains Legal Edge in Ongoing Compass Lawsuit, Expert Says

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In a legal battle that could redefine competitive practices within the real estate industry, real estate tech giant Zillow appears to be in a strong position in its ongoing dispute with Compass. Speaking on the matter, Ed Zorn, Vice President and General Counsel of California Regional Multiple Listing Service (CRMLS), described the case as potentially an “easy win”

for Zillow, particularly in light of the current legal environment and judicial trends surrounding similar antitrust cases.

Zorn, a respected legal voice in real estate, gave his unfiltered assessment during a recent industry webcast, where he also touched on the status of the highly publicised Sitzer/Burnett appeal. The lawsuit between Zillow and Compass hinges on allegations related to anti-competitive hiring practices and intellectual property concerns. According to Zorn, the way the case is shaping up favours Zillow's legal team, given their more consistent track record and conservative legal approach. He noted that the courts are increasingly sceptical of broader antitrust claims that lack robust evidence, particularly in sectors where digital disruption is quickly altering legacy business models.



Compass, a high-profile real estate brokerage backed by aggressive venture capital, has found itself entangled in several lawsuits across the industry. While it has maintained a strong stance on innovation and market disruption, its methods have often been criticised as pushing the boundaries of fair competition. Zorn argued that courts are now more aware of the nuances in tech-driven brokerage strategies and are less likely to entertain vague accusations without clear proof. He suggested that Compass's approach may no longer win it the legal leniency often afforded to startups challenging industry norms.

The broader implications of this case go beyond just two firms. If Zillow prevails, it may signal a shift toward reinforcing stricter standards around competition and intellectual property across the real estate technology sector. Zorn also indicated that the Sitzer/Burnett appeal, which challenges traditional commission structures, is another legal test that could redefine how brokerages operate in the future. With the industry

under increased legal and political scrutiny, particularly in the United States, outcomes of these cases will shape how much room companies will have to innovate without crossing legal boundaries. For Zillow, a win here could not only validate its business model but also serve as a warning to competitors banking on aggressive disruption without legal caution.

