

Case #7:

REALTOR® X, a principal broker in the firm XYZ, was constantly looking for ways to use the Internet to promote his firm and drive additional traffic to his website.

REALTOR® X had registered, but not used, domain names that incorporated or played on the names of many of his competitors and their firms, including ABC, REALTORS®.

REALTOR® X and his information technology staff concluded that one way to drive traffic to the firm's website would be to take advantage of the search engines commonly used by potential buyers and sellers. When potential buyers or sellers searched on key words like "real estate" or "REALTORS®" or on similar words, lists of search hits would appear, and when consumers searched for ABC, REALTORS®, one of the domain names that might appear would be REALTOR® X's domain name, abcREALTORS.com.

REALTOR® X decided to take advantage of the domain names that he had previously registered, and pointed several that used, in various ways, the names of his competitors, including "abcREALTORS.com," to his site.

In a matter of days, REALTOR® X learned that he had been charged with a violation of Article 12 of the Code of Ethics by REALTOR® A, the owner of ABC, REALTORS®, alleging that his (REALTOR® X's) use of the domain name "abcREALTORS.com" presented a false picture to potential buyers and sellers and others on the Internet.

At the hearing, REALTOR® X defended himself indicating that, in his opinion, use of a domain name was not advertising or a "representation" to the public but simply a convenient way for Internet users to find relevant websites. Moreover, "When consumers reach my home page, there is no question that it is my site since I clearly show XYZ's name and our status as REALTORS®," he continued. "These complaints are just a lot of sour grapes from dinosaurs who aren't keeping up and who don't realize that on the Internet it's 'every man for himself.'"

Which Standard of Practice applies to this situation?

- A. Standard of Practice 12-9
- B. Standard of Practice 12-10
- C. Standard of Practice 12-11
- D. Standard of Practice 12-12

Has REALTOR® X violated Article 12?

- A. Yes
- B. No
- C. Only if using a domain name based on another firm's name is precluded by law or regulation.
- D. It depends on the disclosures and any other information displayed on REALTOR® X's Web site.

Case Study #7 ANSWER:

1. D. Standard of Practice 12-12
2. A. Yes

