

# Netlist Expands Legal Action Against SK hynix For Patent Infringement

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IRVINE, Calif., July 17, 2017 /PRNewswire/ -- Netlist, Inc. (NASDAQ: NLST), today announced it has filed legal proceedings for patent infringement against SK hynix in the courts of Germany and China based on the infringement of Netlist patents in those countries by SK hynix LRDIMM enterprise memory products. Netlist also recently filed a new lawsuit in the U.S. District Court for the Central District of California asserting two recently issued U.S. patents against SK hynix RDIMM and LRDIMM products.

The lawsuits in Germany and China are based on SK hynix's infringement of Netlist's patented distributed buffer architecture which was adopted as the industry standard for DDR4 LRDIMM. The German lawsuit, filed in Munich, targets the sale of SK hynix LRDIMM either alone or installed in enterprise servers. The lawsuit filed in Beijing, China targets the sale of SK hynix LRDIMM to enterprise customers in that country, and also the sale of the same products to server manufacturers that integrate SK hynix LRDIMM into servers for worldwide export.

"We filed new lawsuits in Germany, China and the U.S. in order to broaden our legal efforts to prevent SK hynix from continuing its pervasive and unauthorized use of Netlist's intellectual property," said Netlist Chief Executive Officer, C.K. Hong. "Despite our earnest and repeated efforts over the past year and a half to negotiate an equitable resolution, SK hynix refuses to fairly compensate Netlist and its shareholders for our valuable intellectual property." Mr. Hong added, "We remain open to negotiating a fair and reasonable license but absent a satisfactory resolution, we will take all measures necessary to defend our intellectual property rights."

Netlist previously filed suits last year in the United States International Trade Commission (ITC) and the Central District of California to address SK hynix's unauthorized use of Netlist's IP. In the ITC investigation, an Initial Final Determination from the Administrative Law Judge is expected no later than October 10, 2017.

In the Central District, the court is scheduled to conduct a claim construction hearing on July 27, 2017, for the Netlist patents asserted last year. SK hynix recently filed a motion in the Central District asking the court for a partial stay of those proceedings pending completion of Inter Partes Review of the patents asserted in that action. Any stay granted by the Central District, however, would only affect the proceedings in that court and would have no effect on the ITC or delay the issuance of the Judge's ruling in October.

## About Netlist, Inc.

Netlist is a leading provider of high-performance modular memory subsystems serving customers in diverse industries that require superior memory performance to empower critical business decisions. Flagship products NVvault® and EXPRESSvault® enable customers to accelerate data running through their servers and storage and reliably protect enterprise-level cache, metadata and log data by providing near instantaneous recovery in the event of a system failure or power outage. HybriDIMM™, Netlist's next-generation storage class memory product, addresses the growing need for real-time analytics in Big Data applications and in-memory databases. Netlist holds a portfolio of patents, many seminal, in the areas of hybrid memory, storage class memory, rank multiplication

and load reduction. Netlist is part of the Russell Microcap® Index. To learn more, visit [www.netlist.com](http://www.netlist.com).

### **Safe Harbor Statement**

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements other than historical facts and often address future events or the future performance of Netlist. Forward-looking statements contained in this news release include statements about Netlist's ability to execute on its strategic initiatives. All forward-looking statements reflect management's present expectations regarding future events and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed in or implied by any forward-looking statements. These risks, uncertainties and other factors include, among others: risks related to Netlist's plans for its intellectual property, including its strategies for monetizing, licensing, expanding, and defending its patent portfolio; risks associated with patent infringement litigation initiated by Netlist, such as its ongoing proceedings against SK hynix Inc., or by others against Netlist, as well as the costs and unpredictability of any such litigation; risks associated with Netlist's product sales, including the market and demand for products sold by Netlist and its ability to successfully develop and launch new products that are attractive to the market; the success of product, joint development and licensing partnerships, including its relationship with Samsung Electronics Co., Ltd.; the competitive landscape of Netlist's industry; and general economic, political and market conditions. These and other risks and uncertainties are described in Netlist's quarterly report on Form 10-Q filed on May 16, 2017, and subsequent filings with the U.S. Securities and Exchange Commission it makes from time to time. Given these risks, uncertainties and other important factors, undue reliance should not be placed on these forward-looking statements. These forward-looking statements represent Netlist's estimates and assumptions only as of the date made, and except as required by law, Netlist undertakes no obligation to revise or update any forward-looking statements for any reason.

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