

Netlist Prevails In Federal Circuit Appeal Of Seminal LRDIMM Patent Against Inphi

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IRVINE, Calif., Nov. 16, 2015 /PRNewswire/ -- Netlist, Inc. (NASDAQ: NLST), announced today that the U.S. Court of Appeals for the Federal Circuit upheld the validity of all claims in the reexamination of U.S. Pat. No. 7,532,537 ("'537 Patent") brought by Inphi Corporation. The '537 Patent includes 60 claims covering the fundamental operation of LRDIMM.



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In a written precedential opinion, the Federal Circuit affirmed earlier determinations by the Patent Examiner and the Patent Trial and Appeal Board ("PTAB") that the '537 Patent claims are valid. The '537 Patent is the only LRDIMM patent known to have survived the scrutiny of reexamination in the USPTO. The '537 reexamination lasted more than five years, amassing a written record totaling thousands of pages including expert testimonies, oral hearings and multiple decisions from the Examiner, PTAB and now the Federal Circuit. The '537 Patent has emerged from this process with fundamental claims covering DDR3 and DDR4 LRDIMM that will be difficult to invalidate in the future. To continue to challenge the validity of these patents, Inphi must now either request a rehearing with the Federal Circuit, or appeal directly to the U.S. Supreme Court.

"This is a landmark victory for Netlist and represents the most significant validation yet of Netlist's industry leading LRDIMM intellectual property," said Netlist's Chief Executive Officer, C.K. Hong. "The '537 joins a very select subset, out of the millions of issued patents, that have ever cleared both patent office reexamination and appellate court review. As the only company to own multiple fundamental LRDIMM patents with virtually untouchable validity, Netlist is now well positioned to capture significant value from the fast growing LRDIMM market."

The LRDIMM market is projected to reach nearly \$3 billion this year, and grow to over \$6 billion by 2018 according to data compiled by De Dios & Associates in August 2015. This latest validation of Netlist's IP comes on the heels of victories earlier this year when the PTAB rejected multiple attempts by SanDisk and Smart Modular to invalidate three other fundamental Netlist patents. One of those patents, U.S. Pat. No. 8,516,185 ("'185 Patent"), covers Netlist's pioneering distributed buffer architecture that was later adopted by the industry for DDR4 LRDIMM. The other two

patents relate to clocking and buffering techniques that are critical to the design of hybrid memory modules such as Non-Volatile DIMMs. In addition to the '185 and the '537, Netlist now holds more than two dozen issued U.S. patents that broadly cover fundamental aspects of DDR3 and DDR4 LRDIMM.

About Netlist, Inc.

Netlist creates solutions that accelerate turning data into information. We design and manufacture controller and software-based memory solutions for our OEM and Hyperscale customers in the server and storage space. Flagship products NVvault® and EXPRESSvault™ accelerate system performance and provide mission critical fault tolerance. HyperVault®, Netlist's next-generation architecture, expands the performance and capacity of memory channel storage. The company holds a portfolio of patents, many seminal, in the area of hybrid memory, rank multiplication and load-reduction, among others. To learn more, visit www.netlist.com

Safe Harbor Statement:

This news release contains forward-looking statements regarding future events and the future performance of Netlist. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expected or projected. These risks and uncertainties include, but are not limited to, the launch and commercial success of our products, programs and technologies; the success of product partnerships; continuing development, qualification and volume production of HyperVault™, EXPRESSvault™, NVvault®, HyperCloud® and VLP Planar-X RDIMM; the timing and magnitude of the decrease in sales to our key customer; our ability to leverage our NVvault® and EXPRESSvault™ technology in a more diverse customer base; the rapidly-changing nature of technology; risks associated with intellectual property, including risks associated with the inherent uncertainty of the litigation process, patent infringement litigation against us as well as the costs and unpredictability of litigation over infringement of our intellectual property and the possibility of our patents being reexamined by the United States Patent and Trademark office; volatility in the pricing of DRAM ICs and NAND; changes in and uncertainty of customer acceptance of, and demand for, our existing products and products under development, including uncertainty of and/or delays in product orders and product qualifications; delays in the Company's and its customers' product releases and development; introductions of new products by competitors; changes in end-user demand for technology solutions; the Company's ability to attract and retain skilled personnel; the Company's reliance on suppliers of critical components and vendors in the supply chain; fluctuations in the market price of critical components; evolving industry standards; and the political and regulatory environment in the People's Republic of China. Other risks and uncertainties are described in the Company's annual report on Form 10-K filed on March 27, 2015, and subsequent filings with the U.S. Securities and Exchange Commission made by the Company from time to time. Except as required by law, Netlist undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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