

Netlist Ultimately Prevails in Inphi's Challenge to Seminal LRDIMM Patent

May 4, 2016

IRVINE, Calif., May 4, 2016 /PRNewswire/ -- Netlist, Inc. (NASDAQ: NLST), today announced it has cleared the final hurdle in the years-long reexamination of U.S. Patent No. 7,532,537, with Inphi's decision not to seek further appeal to the U.S. Supreme Court following the Federal Circuit's denial of Inphi's petition for rehearing in January. Netlist's seminal '537 patent is directed to the fundamental concept of load reduction that is integral to the design of DDR4 LRDIMMs.



NETLIST

Netlist also announced that the Patent Trial and Appeal Board (PTAB) issued decisions last week again confirming the validity of 15 total claims in the Inter Partes Review (IPR) of U.S. Patent Nos. 8,001,434 and 8,359,501 brought by SanDisk. Netlist's '434 and '501 patents cover self-test technologies widely used in LRDIMMs, SSDs, and Storage Class Memory.

"We are very pleased that after many years of defending our intellectual property in the USPTO and through the appeal process, we ultimately prevailed with the validation of our seminal '537 patent," said Netlist's Chief Executive Officer, C.K. Hong. "As our portfolio continues to grow and strengthen, we are focused on capturing licensing opportunities as well as leveraging our IP assets to drive the adoption of our breakthrough products in the marketplace."

The PTAB denied SanDisk's request for rehearing of the '434 in its entirety, again confirming the validity of the 14 claims found patentable last December. With respect to the '501, the PTAB confirmed the patentability of claim 4, but reversed itself in finding two other claims to be unpatentable. The parties will now have the opportunity to appeal the decisions on these IPRs to the U.S. Court of Appeals for the Federal Circuit. Netlist has asserted claim 4 along with other claims from the '501 as part of its seven patent law suit against the ULLtraDIMM product from SanDisk and Diablo Technologies.

With respect to the '537, the USPTO will now go through the administrative process of issuing a certificate with the 60 claims that survived the five year reexamination process. The certificate will likely be issued later this year, at which time the patent is available for enforcement.

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. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances and is based on currently available market, operating, financial and competitive information and assumptions. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expected or projected, including, among others, risks associated with the launch and commercial success of our products, programs and technologies; the success of product, joint development and licensing partnerships; continuing development, qualification and volume production of HyperVault™, EXPRESSvault™, NVvault®, HyperCloud® and VLP Planar-X RDIMM; the timing and magnitude of the continued decrease in our sales; our ability to leverage our NVvault® and EXPRESSvault™ technology in a more diverse customer base; our need to raise additional capital and our ability to obtain financing when necessary; the rapidly-changing nature of technology; risks associated with intellectual property, including 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 or reviewed by the United States Patent and Trademark office and the Patent Trial and Appeal Board; volatility in the pricing of DRAM ICs and NAND flash; 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 our and our customers' product releases and development; introductions of new products by competitors; changes in end-user demand for technology solutions; our ability to attract and retain skilled personnel; our reliance on suppliers of critical components and vendors in the supply chain; fluctuations in the market price of critical components; evolving industry standards; the political and regulatory environment in the People's Republic of China; and general economic and market conditions. Other risks and uncertainties are described in our annual report on Form 10-K filed on March 4, 2016, and subsequent filings with the U.S. Securities and Exchange Commission we make from time to time. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For more information, please contact:

Brainerd Communicators, Inc.
Mike Smargiassi/Jenny Perales
NLST@braincomm.com
(212) 986-6667

Logo - <http://photos.prnewswire.com/prnh/20150225/177763LOGO>

To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/netlist-ultimately-prevails-in-inphis-challenge-to-seminal-lrdimm-patent-300262471.html>

SOURCE Netlist, Inc.