

# Netlist Files Legal Proceedings Against SK hynix For Patent Infringement

September 1, 2016

IRVINE, Calif., Sept. 1, 2016 /PRNewswire/ -- Netlist, Inc. (NASDAQ: NLST), today announced it has filed legal proceedings for patent infringement against SK hynix in the United States International Trade Commission (ITC) and the U.S. District Court for the Central District of California. The proceedings were based on the infringement of six Netlist patents by SK hynix RDIMM and LRDIMM enterprise memory products. Netlist has been in discussions with SK hynix since last year to license Netlist's intellectual property.



## NETLIST

"Today's actions were taken only after we made extensive and prolonged efforts to reach a fair and equitable resolution without litigation," said C.K. Hong, Chairman and CEO of Netlist. "As we now face the prospects of the infringement continuing indefinitely, we believe that litigation is necessary to defend our intellectual property rights. While we remain willing to negotiate a resolution which fairly compensates Netlist and its shareholders for our valuable intellectual property, we remain confident in the strength of our case and are fully prepared to proceed through the complete legal process to achieve a successful outcome."

Netlist has asserted a total of six patents in the ITC and district court actions: U.S. Patent Nos. 8,756,364, 8,516,185, 8,001,434, 8,359,501, 8,689,064, and 8,489,837. Netlist is seeking an exclusion order in the ITC that directs U.S. Customs and Border Protection to stop infringing SK hynix RDIMM and LRDIMM products from entering the U.S. ITC investigations proceed on an expedited basis, commonly progressing to trial within a year with an Initial Determination from the Administrative Law Judge issued a few months later. A Final Determination commonly issues within 17 months after filing. In the district court proceedings, Netlist is primarily seeking damages although this action will likely remain stayed until the ITC action reaches its conclusion.

Netlist is represented by its legal counsel DLA Piper which is one of the largest law firms in the world and its team of attorneys has extensive experience in the ITC and district court.

Additional information regarding this announcement can be accessed in the Investor's section of Netlist's website at [www.netlist.com](http://www.netlist.com).

### Conference Call

The Company will hold a conference call regarding this announcement at 11:00am ET on September 1, 2016. To access the call in the U.S., please dial (844) 836-8742, and for international callers dial (412) 317-5443, approximately 10 minutes prior to the start of the conference call. A live webcast and archived replay of the call can be accessed in the Investor's section of Netlist's website at [www.netlist.com](http://www.netlist.com).

### **About Netlist, Inc.**

Netlist creates solutions that accelerate turning raw data into business insight. The company produces next generation persistent memory solutions that enable businesses to transact quicker, gain insight faster and reduce datacenter cost. Flagship products NVvault® and EXPRESSvault® accelerate system performance and provide mission critical fault tolerance. HybriDIMM™, Netlist's next-generation Storage Class Memory, lowers cost and improves performance of big data analytics and in-memory computing. The company holds a portfolio of patents, many seminal, in the area of hybrid memory, storage class memory, rank multiplication and load-reduction, among others. 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 regarding future events and the future performance of Netlist. These forward looking statements include statements relating to the strength and outcome of the legal proceedings and the expected timing of the ITC action. 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 HybriDIMM™, as well as our other products and technologies; the rapidly-changing nature of technology in our industry; 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; 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 predictions about the size of the market for our products; delays in our and our customers' product releases and development; introductions of new products by competitors; changes in end-user demand for technology solutions; 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.

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