

Netlist Prevails Again In Patent Battles In The ULLtraDIMM Case

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IRVINE, Calif., March 17, 2015 /PRNewswire/ -- Netlist, Inc. (NASDAQ: NLST) announced today that it has prevailed against a second wave of attacks on the validity of three Netlist patents asserted against the ULLtraDIMM product from SanDisk and Diablo Technologies. The United States Patent and Trademark Office (USPTO) for the second time, rejected concerted attempts to invalidate these fundamental patents.



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SanDisk first requested Inter Partes Review (IPR) of these three patents in June 2014. Smart Modular filed separate petitions requesting IPR of the same patents two months later. The Patent Trial and Appeal Board ("PTAB") denied all of these petitions in their entirety, with the last of the decisions issued March 13, 2015. The three Netlist patents are part of a patent infringement action against SanDisk and Diablo that is currently pending in the U.S. District Court of the Northern District of California.

The patents cover fundamental aspects of the high performance memory modules operating in the memory channel, particularly hybrid memory that combine the benefits of DRAM and flash. U.S. Pat. No. 8,516,185 relates to the fundamental distributed buffer architecture developed for HyperCloud®, and adopted by the industry for DDR4 LRDIMM. U.S. Pat. No's 8,301,833 and 8,516,187 arose out of NVvault™, and relate to clocking and buffering techniques that are critical to the design of Non-Volatile DIMMs (NVDIMMs), such as the NVvault®, ULLtraDIMM, and Netlist's next-generation HyperVault®.

C.K. Hong, Netlist's Chief Executive Officer said, "We are very pleased that the PTAB has rejected attacks on the validity of our patents not once, but twice – a rare outcome. These seminal patents are part of a comprehensive and battle-tested IP portfolio covering high-performance memory channel products. Importantly, our inventions are not only being recognized by the USPTO but also by the industry as it moves to widely adopt Netlist's proprietary technologies developed and patented many years ago."

Fifteen petitions in total have been filed against the seven Netlist patents asserted against SanDisk and Diablo. Both parties are now barred from filing IPR petitions on the '185, '833, and '187 patents in the pending litigation. The PTAB did institute reviews of two Netlist patents related to self-test technologies and two patents related to load reduction. These reviews are expected to conclude later this year.

About Netlist:

Netlist, Inc. designs and manufactures high-performance, logic-based memory subsystems for server and storage applications for cloud computing. Netlist's flagship products include NVvault[®] and EXPRESSvault[™] family of hybrid memory products that significantly accelerate system performance and provide mission critical fault tolerance, HyperCloud[®], a patented memory technology that breaks traditional performance barriers, and a broad portfolio of industrial Flash and specialty memory subsystems including VLP (very low profile) DIMMs and Planar-X RDIMMs. Netlist has steadily invested in and grown its worldwide IP portfolio, which now includes 88 issued and pending patents in the areas of high performance memory and hybrid memory technologies.

Netlist develops technology solutions for customer applications in which high-speed, high-capacity, small form factor and efficient heat dissipation are key requirements for system memory. These customers include OEMs and hyperscale datacenter operators that design and build servers, storage systems and high-performance computing clusters, engineering workstations and telecommunications equipment. Founded in 2000, Netlist is headquartered in Irvine, CA with manufacturing facilities in Suzhou, People's Republic of China. Learn more at 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, risks associated with the launch and commercial success of our products, programs and technologies; the success of product partnerships; continuing development, qualification and volume production of EXPRESSvault[™], NVvault[™], HyperCloud[®] and VLP Planar-X RDIMM; the timing and magnitude of the anticipated decrease in sales to our key customer; our ability to leverage our NVvault[™] technology in a more diverse customer base; 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 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 18, 2014, 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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