

International Trade Commission finds SK hynix infringed Netlist Patent in violation of Section 337 of the Tariff Act

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IRVINE, Calif., Oct. 21, 2019 /PRNewswire/ -- Netlist, Inc. (OTCQX: NLST) today announced that the Chief Administrative Law Judge ("CALJ") of the United States International Trade Commission ("ITC"), issued a Notice of Initial Determination ("ID") in its investigation of SK hynix RDIMM and LRDIMM enterprise memory products, Netlist's second action in the ITC (Inv. No. 337-TA-1089) against SK hynix related to these products.



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According to the Notice regarding Investigation No. 337-TA-1089, the CALJ determined that a violation of Section 337 of the Tariff Act of 1930, as amended, has been found in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain memory modules and components thereof with respect to U.S. Patent No. 9,606,907 as to respondents SK hynix Inc., SK hynix America Inc., and SK hynix memory solutions Inc. There is no violation of Section 337 of the Tariff Act of 1930, as amended, as to U.S. Patent No. 9,535,623.

In order to find a violation of Section 337 of the Tariff Act, the ITC investigation must determine that there is infringement of a valid U.S. patent that relates to an imported product, where the patent is being used in an existing domestic industry.

The Notice includes a brief summary of the ID's conclusions, with further details to be available in the coming days. A public version of the ID will be available within 30 days.

About Netlist

Netlist provides high-performance SSDs and modular memory subsystems to enterprise customers in diverse industries. HybriDIMM™, Netlist's next-generation storage class memory product, addresses the growing need for real-time analytics in Big Data applications, in-memory databases, high-performance computing and advanced data storage solutions. Netlist also manufactures and provides a line of specialty and legacy memory products to storage customers, appliance customers,

system builders and cloud and datacenter customers. Netlist holds a portfolio of patents, many seminal, in the areas of hybrid memory, storage class memory, rank multiplication and load reduction. To learn more, visit 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 Netlist's future performance. 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. All forward-looking statements reflect management's present assumptions, expectations and beliefs 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 and other risks and uncertainties are described in Netlist's annual report on Form 10-K for its most recently completed fiscal year filed on March 22, 2019, and the other filings it makes with the U.S. Securities and Exchange Commission from time to time, including any subsequently filed quarterly and current reports. In light of these risks, uncertainties and other factors, these forward-looking statements should not be relied on as predictions of future events. These forward-looking statements represent Netlist's assumptions, expectations and beliefs only as of the date they are 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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