

Netlist Prevails In Final PTAB Reviews

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IRVINE, Calif., March 10, 2016 /PRNewswire/ -- Netlist, Inc. (NASDAQ: NLST), a leading provider of high performance and hybrid memory solutions for the cloud computing and storage markets, today announced it has prevailed against Smart Modular Technologies in the final Inter Partes Reviews (IPRs) of two Netlist patents, U.S. Patent Nos. 8,001,434 and 8,359,501 related to self-test.



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Netlist's patented self-test technologies are widely used in high-performance memory modules, including LRDIMM, SSDs, and Storage Class Memory. These techniques are used in LRDIMM, for example, to ensure proper timing on the data path. The Patent Trial and Appeal Board (PTAB) has now conducted two full reviews of both patents and twice confirmed their validity. The earlier decisions by the PTAB confirming the validity of these claims came in December, 2015 based on reviews initiated by SanDisk.

"The extraordinary success we've experienced before the PTAB and Federal Circuit is a testament to Netlist's long track record of fundamental innovation in the area of high performance memory," said C.K. Hong, Netlist's Chief Executive Officer. "We remain committed to defending our industry leading IP and monetizing our patent portfolio through licensing and enforcement."

The '434 and '501 patents are part of a seven-patent lawsuit Netlist filed in the U.S. District Court of the Northern District of California against the ULLtraDIMM product from SanDisk and Diablo Technologies. In response to the lawsuit, SanDisk, Diablo and Smart Modular filed a total of 17 IPRs attempting to invalidate the seven Netlist patents. With these latest results, Netlist has now been successful in defending five of the seven asserted patents. According to the latest USPTO statistics, 72% of IPRs that proceed all the way to a final decision end with the PTAB invalidating all challenged claims, and at least some claims being invalidated in another 14%.

The other patents in the lawsuit cover fundamental aspects of high-performance memory modules, such as the distributed buffer architecture used for DDR4 LRDIMM, and clocking and buffering

techniques critical to the design of Non-Volatile DIMMs (NVDIMMs) such as the NVvault®, ULLtraDIMM, and Netlist's next-generation HyperVault® Storage Class Memory technology.

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

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