

Netlist Prevails In Federal Circuit Appeal Of Load Reduction Patents

July 26, 2017

IRVINE, Calif., July 26, 2017 /PRNewswire/ -- Netlist, Inc. (NASDAQ: NLST), today announced the U.S. Court of Appeals for the Federal Circuit vacated and remanded earlier decisions from the U.S. Patent Trial and Appeal Board (PTAB) which invalidated certain claims of Netlist's U.S. Patent Numbers 7,881,150 ("150 Patent") and 8,081,536 ("536 Patent").

The '150 and '536 Patents cover fundamental load reduction technologies used in various server memory products such as Load Reduced Dual Inline Memory Modules (LRDIMMs). In its ruling, the Federal Circuit sided with Netlist on two of the three issues raised on appeal, finding the PTAB's earlier decisions were based on an erroneous interpretation of the patent claims. The Federal Circuit vacated the earlier decisions and remanded the cases back to the PTAB for further proceedings.

"We are very pleased with today's ruling from the Federal Circuit. The strength of the company's intellectual property reflects the early ground-breaking work of Netlist's engineers in high-performance server memory, such as the load reduction technology at issue in this case," said Netlist Chief Executive Officer, C.K. Hong. "This victory continues the exceptional track record that our legal team has built defending Netlist patents in challenges before the PTAB."

Netlist has asserted these patents against SanDisk and Diablo Technologies as part of a seven-patent lawsuit in the U.S. District Court of the Northern District of California against the ULLtraDIMM product. The defendants in that action filed multiple Inter Partes Reviews ("IPRs") against all seven asserted patents. Netlist ultimately prevailed in the final written decisions from IPRs in five of the seven patents, with negative decisions only on the '150 and '536. Yesterday's Federal Circuit ruling vacates the negative decisions as to the IPRs filed by Diablo. Appeals from IPRs filed by SanDisk are still pending before the Federal Circuit.

About Netlist, Inc.

Netlist is a leading provider of high-performance modular memory subsystems serving customers in diverse industries that require superior memory performance to empower critical business decisions. Flagship products NVvault® and EXPRESSvault® enable customers to accelerate data running through their servers and storage and reliably protect enterprise-level cache, metadata and log data by providing near instantaneous recovery in the event of a system failure or power outage. HybriDIMM™, Netlist's next-generation storage class memory product, addresses the growing need for real-time analytics in Big Data applications and in-memory databases. Netlist holds a portfolio of patents, many seminal, in the areas of hybrid memory, storage class memory, rank multiplication and load reduction. Netlist is part of the Russell Microcap® Index. 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 the future performance of Netlist. 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. These and other risks and uncertainties are described in Netlist's quarterly report on Form 10-Q filed on May 16, 2017, and subsequent filings with the U.S. Securities and Exchange Commission it makes from time to time. Given these risks, uncertainties and other important factors, undue reliance should not be placed on these forward-looking statements. These forward-looking statements represent Netlist's estimates and assumptions only as of the date made, and except as required by law, Netlist undertakes no obligation to revise or update any forward-looking statements for any reason.

For more information, please contact:

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

View original content:<http://www.prnewswire.com/news-releases/netlist-prevails-in-federal-circuit-appeal-of-load-reduction-patents-300494356.html>

SOURCE Netlist, Inc.