

Netlist Provides Additional Comments On Recent Patent Trial And Appeal Board Victories In '434 And '501 Patent Reviews

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IRVINE, Calif., March 18, 2016 /PRNewswire/ -- Netlist, Inc. (NASDAQ: NLST), a leading provider of high performance and hybrid memory solutions for the cloud computing and storage markets, today reiterated that the Patent Trial and Appeal Board (PTAB) has confirmed the validity of U.S. Patent Nos. 8,001,434 and 8,359,501 following Inter Partes Reviews (IPRs) initiated by SanDisk and Smart Modular Technologies. Netlist's '434 and '501 patents cover self-test technologies widely used in high-performance memory modules, including LRDIMM, SSDs, and Storage Class Memory.



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The PTAB has now conducted two full reviews of both patents and twice confirmed their validity.

In its December, 2015 decisions on the SanDisk IPRs, the PTAB confirmed the validity of 17 total claims from the '434 and '501: claims 2, 5, 6, 7-13, 17, 18, 26 and 35 from the '434, and claims 4, 9, and 10 from the '501.

Smart Modular filed two IPR petitions against each of the '434 and '501 patents. The PTAB denied two of the petitions at the outset, one against each patent, refusing to institute reviews based on the arguments put forward by Smart Modular in its petitions. The PTAB did institute reviews based on the other two petitions. In final written decisions issued earlier this month, the PTAB confirmed all of the claims under review in the '434 and '501 patents, finding that Smart Modular failed in its attempt to invalidate any of the claims in either patent. Netlist has posted the final written decision from the PTAB on its website in the investor relations section and provided additional comments on the validity of specific claims in this release to clarify actual events and address recent reports.

"We are very pleased with the remarkable success we've had defending our intellectual property against numerous challenges over many years," said Noel Whitley, Netlist's Vice President,

Intellectual Property and Licensing. "Smart Modular challenged our self-test patents four times using the IPR process and failed to invalidate a single claim of either patent."

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.

Contrary to recent reports, over 90 claims related to LRDIMM have been confirmed by the examiner in the consolidated reexamination of Netlist's U.S. Patent No. 7,619,912 brought by Google, Inphi Corporation, and Smart Modular. The '912 reexamination is now on appeal at the PTAB with a decision expected later this year.

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.

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