

# Netlist Patent Case Against SanDisk's ULLtraDIMM Will Proceed

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IRVINE, CA -- (Marketwired) -- 09/02/14 -- Netlist, Inc. (NASDAQ: NLST), a leading provider of high performance memory solutions for the cloud computing and storage markets, announced today that the United States District Court of the Northern District of California denied without prejudice a motion to stay Netlist's patent infringement action against SanDisk and Diablo Technologies, Inc., who partnered to create the recently released ULLtraDIMM memory module which is accused of infringing seven Netlist patents.

In June of this year SanDisk and Diablo filed petitions in the United States Patent and Trademark Office (USPTO) requesting Inter Partes Review (IPR) of the seven asserted patents. SanDisk and Diablo then joined in a motion to stay the patent case pending resolution of the IPRs. In the Court's order denying the motion, United States District Judge Yvonne Gonzalez Rogers observed that the mere filing of an IPR petition says little about whether review will be granted.

"We welcome the Court's decision to allow the patent lawsuit to continue," said Netlist President and CEO, C.K. Hong. "We are confident in the strengths of our patents asserted in this case and we are eager to press ahead with the patent and related trade secret actions in order to enforce our IP rights. There is ongoing adoption of hybrid memory devices by the industry, and we intend to vigorously protect our industry-leading hybrid memory solution, NVvault™ NVDIMM, against competitors using our technology."

Netlist has steadily invested in and grown its IP portfolio, which now includes 51 issued or granted patents and more than 30 U.S. and foreign pending patent applications in the areas of high performance memory and hybrid memory technologies.

## *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 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 51 issued and granted patents and more than 30 U.S. and foreign pending patent applications 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 that design and build tower, rack-mounted, and blade servers, 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](http://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 29, 2013, 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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