



Callaway Golf Continues to Enforce Valuable Intellectual Property Rights

CARLSBAD, Calif.--(BW SportsWire)--Jan. 23, 2002--Callaway Golf Company (NYSE:ELY) announced today that its intellectual property enforcement efforts in 2001 included, among other actions, two criminal cases filed to stop the theft of Callaway Golf products and components. These actions were a part of Callaway Golf's worldwide effort to stop illegal copying, counterfeiting, or diversion of its products.

In one criminal case, Callaway Golf worked with the Orange County, California, Sheriff's Department to arrest five people charged with the theft and resale of Callaway Golf product destined for customers. The activity was first discovered by Callaway Golf's Internet monitoring efforts. Callaway Golf's Security Department worked with the Sheriff's Department and others and provided some leads as to where the thefts might be occurring. On December 24, 2001, Orange County Sheriff's Deputies executed four search warrants and made the arrests. At the same time, Deputies seized about \$50,000 of allegedly stolen goods.

In a second criminal case, Callaway Golf assisted the El Cajon, California, Police Department in the arrest of a man charged with bringing stolen Callaway Golf club components into the United States. On January 3, 2002, El Cajon Police arrested the suspect and seized components then in his possession valued at almost \$6,000. Based upon information developed by Callaway Golf, it appears that the diverted products could have been destined for places as far away as New Zealand.

In May 2001, Callaway Golf provided information to the U.S. Attorneys' Office in Houston, Texas, and the U.S. Customs Service in support of the conviction and sentencing of the owner of Beta Golf for smuggling infringing golf clubs. The owner was sentenced to six months home detention, five years probation, a \$10,000 fine, ordered to liquidate offending inventory, and barred from participating in the golf industry in the future.

In a civil case concluded in March 2001, a federal judge in the Central District of California entered judgment against Trophy Sports L.L.C. and its principals Ren Jei Liou and Jethro Liou for patent, trademark, copyright and trade dress infringement, as well as deceptive trade practices and unfair competition. The judgment also required that Trophy Sports and the Liou's stop selling eight different models of infringing golf clubs, turn over infringing golf club heads for destruction, and pay \$20,000 to Callaway Golf.

Much of the Company's efforts in 2001 were focused upon Asia, where many illegal copies are manufactured. For example, six pending cases in Taiwan involving allegedly counterfeit Callaway Golf components resulted in seven criminal convictions and jail terms of up to two years each for the individuals involved. A defendant in another case filed in Taiwan agreed to pay a substantial fine to Callaway Golf to avoid a criminal conviction.

Callaway Golf was also active in the People's Republic of China in 2001. A government raid of a factory in Dongguan, China, resulted in the seizure of over 300 completed counterfeit clubs, and almost a thousand counterfeit components destined for assembly. Government raids of three retailers in Shenzhen, China, resulted in the seizure of additional counterfeit clubs being offered at retail.

The Company continued to work closely with the United States Customs Service to stop the flow of illegal products into the United States. Since the golf club project was initiated by Customs, agents have seized hundreds of thousands of golf club components infringing Callaway Golf's intellectual property rights. Those seizures have involved shipments from Taiwan, China, and other countries. The Company's work with United States Customs has been complemented by ongoing domestic enforcement of the Company's trademarks and patents and the Company's

Internet monitoring program.

"We continue to seek worldwide intellectual property protection for our products, including those new products that we will be launching in Orlando this week," said Steve McCracken, Senior Executive Vice President and Chief Legal Officer. "We have been especially pleased by the assistance of local and national law enforcement in our efforts, as well as the continuing efforts of foreign governments and our own U.S. Customs Service to help stop illegal copies bound for sale the United States."

Callaway Golf Company makes and sells Big Bertha(R) Metal Woods and Irons, including Big Bertha ERC(R) II Forged Titanium Drivers, Big Bertha C4(TM) Compression Cured Carbon Composite Drivers, Big Bertha Hawk Eye(R) VFT(R) and Big Bertha Hawk Eye VFT Pro Series Titanium Drivers and Fairway Woods, Big Bertha Steelhead(TM) III Stainless Steel Drivers and Fairway Woods, Hawk Eye VFT Tungsten Injected(TM) Titanium Irons, Big Bertha Stainless Steel Irons, Steelhead X-14(R) and Steelhead X-14 Pro Series Stainless Steel Irons. Callaway Golf Company also makes and sells Odyssey(R) Putters, including White Hot(R), TriHot(TM), and Dual Force(R) Putters. Callaway Golf Company makes and sells the Callaway Golf(R) HX(TM) Blue and HX Red balls, Rule 35(R) Firmfeel(TM) and Softfeel(TM) balls, the CTU 30(TM) Blue and CTU 30 Red balls, and the CB1(TM) Blue and CB1 Red balls. For more information about Callaway Golf Company, please visit our Web sites at www.callawaygolf.com and www.odysseygolf.com.

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