



Callaway Golf Prevails in Patent Infringement Lawsuit

CARLSBAD, Calif., Mar 26, 2002 (BW SportsWire) -- Callaway Golf Company (NYSE: ELY) announced today that a Texas-based golf club company, Wood Arts Golf, Inc., had agreed to pay an undisclosed amount of money to Callaway Golf to settle patent infringement claims. The settlement followed shortly after a federal court in Houston, Texas, had dismissed patent infringement claims asserted by Wood Arts against Callaway Golf.

Wood Arts sued Callaway Golf in January 2001, alleging that Callaway Golf's Hawk Eye(R) Tungsten Injected(TM) Titanium Irons infringed two Wood Arts patents. On March 5, 2002, the District Court in Houston dismissed Wood Arts' case entirely. The Court ruled that Callaway Golf's Hawk Eye Irons, which utilize a Tungsten Weight Matrix of tungsten spheres and heavy molten metal, are substantially different from the clubs described in two patents previously issued to Wood Arts.

In a counterclaim filed in the same action, Callaway Golf had alleged that Wood Arts had been selling metal wood golf clubs that infringed Callaway Golf's S2H2 ("Short Straight Hollow Hesel") patent. As part of its settlement with Callaway Golf, Wood Arts agreed to immediately cease selling any metal woods that infringe Callaway Golf's patent, including clubs marked as the Cruise Missile, Cruise Missile II, Patriot Missile and Patriot Missile II. Wood Arts also agreed to a Court judgment in which Wood Arts admitted that Callaway Golf's S2H2 patent is valid and did not contest that the S2H2 patent is infringed by the offending clubs. Pursuant to the settlement, Wood Arts paid Callaway Golf an undisclosed sum.

"We believed from the start, based upon our diligence and research, that the Hawk Eye Tungsten Injected Titanium Irons did not infringe Wood Arts' patents, and the Court has confirmed that we were correct," stated Steve McCracken, Senior Executive Vice President and Chief Legal Officer of Callaway Golf. "We respect others' patent rights. On the other hand, we expect others to respect our patents, and we will continue to pursue those who sell infringing products."

Callaway Golf Company makes and sells Big Bertha(R) Metal Woods and Irons, including Big Bertha C4(TM) Compression Cured Carbon Composite Drivers, Big Bertha ERC(R) II Forged Titanium Drivers, Big Bertha ERC Forged Titanium Fairway Woods, 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) Putter, including White Hot(R), TriHot(TM), and Dual Force(R) Putter. 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.

CONTACT:

Callaway Golf, Carlsbad
Larry Dorman, 760/931-1771

URL: <http://www.businesswire.com> Today's News On The Net - Business Wire's full file on the Internet with Hyperlinks to your home page.

Copyright (C) 2002 Business Wire. All rights reserved.