



Callaway Golf Company Countersues To Invalidate Bridgestone Patents

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CARLSBAD, Calif., September 12, 2000 – Callaway Golf Company (NYSE:ELY) today announced that it and its wholly-owned subsidiary, Callaway Golf Ball Company, have filed a countersuit against Bridgestone Sports Co. Ltd. in U.S. District Court in Atlanta, Georgia. The lawsuit alleges that Bridgestone has asserted certain golf ball patents against Callaway Golf that were known to be either not infringed, invalid or both, in a wrongful attempt by Bridgestone to limit Callaway Golf's success as a new entrant into the golf ball business. The countersuit seeks to invalidate certain Bridgestone patents, and requests a judicial determination that Bridgestone acted inequitably and with deceit before the U.S. Patent and Trademark Office in obtaining at least one of its patents.

"Our ongoing investigation of this matter has resulted in allegations, filed in court today, that Bridgestone has knowingly made unfounded claims of patent infringement against us in an effort to undermine the successful launch, both in the United States and in Japan, of our "Rule 35™" golf ball," said Steve McCracken, Senior Executive Vice President and Chief Legal Officer of Callaway Golf. "Our lawsuit alleges that Bridgestone has acted inequitably and in bad faith both before the U.S. Patent and Trademark Office and in filing unfounded patent claims."

In an earlier complaint filed by Bridgestone in the same court, it was alleged that Callaway Golf launched its "Rule 35" golf ball earlier this year even though Callaway Golf supposedly knew the ball infringed certain patents owned by Bridgestone. In support of that claim, Bridgestone referred to, but did not disclose, communications sent by Callaway Golf to Bridgestone in January of 2000 suggesting that the parties meet and discuss the possibility of a patent license. In its countersuit, Callaway Golf has disclosed the actual contents of those communications and asserted that they do not support Bridgestone's mischaracterization of their contents.

In one communication, sent by e-mail on January 5, 2000, Callaway Golf advised Bridgestone that it had finalized its "first golf balls" (the "Rule 35" balls) and planned to introduce them in less than a month, but that Callaway Golf might "want to use" some Bridgestone technology in subsequent ball designs and thus was interested in discussing a possible license going forward. In the second communication, sent by letter dated January 19, 2000, Callaway Golf specifically discussed the "Rule 35" golf ball and advised Bridgestone that the ball had been carefully designed so as to "avoid any possible conflicts with [Bridgestone's] patents." While a meeting was requested to discuss the "Rule 35" ball to avoid any "misunderstanding," at no time did Callaway Golf ever seek a license from Bridgestone in connection with the "Rule 35" golf ball for the simple reason that one was not needed.

"As we stated before, our earlier contacts with Bridgestone regarding its patents had to do with possible future products, not the "Rule 35" ball," said Chuck Yash, President of Callaway Golf. "We had no reason to seek a license on the "Rule 35" ball because it was designed so as to avoid infringing any Bridgestone patents. In our opinion, Bridgestone's lawsuit has misrepresented the intent of our earlier efforts to show respect for their technology. We are now beginning to put the facts before the court so it can judge who is acting in bad faith."

Callaway Golf's "Rule 35" golf ball was launched in the United States earlier this year, and is being introduced in Japan, Bridgestone's home country, this month. The "Rule 35" ball has been well received by both amateurs and by touring professionals, and has been used in ten victories on tours around the world, including wins by Annika Sorenstam, Bruce Fleisher, and Rocco Mediate. Golf legend Arnold Palmer uses and endorses the "Rule 35" golf ball, as does seven-time Order of Merit winner and PGA European Tour star Colin Montgomerie. PGA Tour rookie Charles Howell has announced that he will be playing the Callaway Golf "Rule 35" ball as he begins his professional career. Most recently, Pierre Fulke won the Scottish PGA Championship and Eduardo Romero won the Canon European Masters using "Rule 35" golf balls.

Callaway Golf Company makes and sells Big Bertha® Metal Woods and Irons, including Great Big Bertha® Hawk Eye® Titanium Metal Woods and Hawk Eye Tungsten Injected™ Titanium Irons, Big Bertha Steelhead Plus™ Stainless Steel Metal Woods, Steelhead™ X-14™ Stainless Steel Irons, and Bobby Jones® and Carlsbad Series™ Putters. Callaway Golf Company also make and sells Odyssey® Putters with Stronomic® inserts, including White Hot™ and TriForce® Putters. Callaway Golf Ball Company, a wholly-owned subsidiary of Callaway Golf Company, makes and sells the Callaway Golf “Rule 35™” Firmfeel™ (red logo) and Softfeel™ (blue logo) golf balls – the Complete Performance™ golf balls. For more information about Callaway Golf Company please visit our Web sites at www.callawaygolf.com, www.callawaygolfball.com and www.odysseygolf.com.