

Beats Electronics disputes Monster suit

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Apple-owned Beats Electronics has filed a countersuit against Monster charging the company with harming the headphone maker's reputation.

In the cross-complaint filed in the California Superior Court in Los Angeles, Beats argues that Monster and CEO Noel Lee breached a contract that the parties had upon the 2013 completion of Lee's sale of his stake in Beats.

Monster, which co-designed the original Beats By Dr. Dre headphones brought to market in 2008, filed a suit against Beats Electronics in January 2015. In the suit, Lee claimed Beats co-founders Dr. Dre and Jimmy Iovine committed fraud in pushing Monster aside before selling Beats to Apple for \$3 billion in May 2014.

That suit, scheduled for trial in September, is "meritless," Beats charges in its complaint. "Monster and Lee have publicly disparaged Beats and harmed its reputation by making false and derogatory statements about Beats' alleged conduct in the press, view(ed) by millions of readers across the world," the Beats complaint says. "By doing so, Monster and Lee have breached valid, bargained-for contractual promises not to disparage Beats. Monster's and Lee's lies have caused damage to Beats' name and reputation."

As part of termination agreement negotiations in 2012 and 2013, during which Lee sold his total 5% stake in Beats back to the company, Monster agreed not to sue or disparage Beats in the future, the complaint reads.

When HTC paid about \$300 million in 2011 to gain a 51% controlling interest in Beats that triggered a change of control provision that allowed Beats to terminate its original 2009 licensing agreement with Monster, Beats' complaint says... *(To read the entire article, please click [HERE](#))*