WHY THEN ARE THE "MUSLIMS" DEFEATED?

BECAUSE they refuse to believe God in His repeated statements that Quran is COMPLETE, PERFECT, FULLY DETAILED, and SHALL BE THE ONLY SOURCE OF RELIGIOUS GUIDANCE.

Because they have accepted other sources, namely, Hadith and Sunna, beside Quran.

"Whoever disregards My message (Quran) shall have a miserable life, then we will resurrect him, on the Day of Resurrection, blind. He will say, 'My Lord, why did You resurrect me blind, when I used to be a seer (in the first life)?' (God will say), 'This is because Our revelations came to you, but you forgot them, and consequently, today we forget you.' We thus punish those who exceed the limits and refuse to believe the verses of their Lord. And surely, the retribution in the Hereafter is far worse, and everlasting." (20: 124-127)