



EUROPEAN COURT OF HUMAN RIGHTS
COUR EUROPÉENNE DES DROITS DE L'HOMME

FIFTH SECTION

CASE OF KOPANKOVI v. BULGARIA

(Application no. 48929/12)

JUDGMENT

STRASBOURG

6 September 2018

FINAL

06/12/2018

This judgment has become final under Article 44 § 2 of the Convention. It may be subject to editorial revision.



In the case of Kopankovi v. Bulgaria,

The European Court of Human Rights (Fifth Section), sitting as a Chamber composed of:

Angelika Nußberger, *President*,

André Potocki,

Yonko Grozev,

Mārtiņš Mits,

Gabriele Kucsko-Stadlmayer,

Lətif Hüseynov,

Lado Chanturia, *judges*,

and Milan Blaško, *Deputy Section Registrar*,

Having deliberated in private on 10 July 2018,

Delivers the following judgment, which was adopted on that date:

PROCEDURE

1. The case originated in an application (no. 48929/12) against the Republic of Bulgaria lodged with the Court under Article 34 of the Convention for the Protection of Human Rights and Fundamental Freedoms (“the Convention”) by four Bulgarian nationals, Mr Lyudmil Slavov Kopankov (“the first applicant”), Mr Miroslav Kanchev Kopankov (“the second applicant”), Ms Stanka Nikolova Kopankova (“the third applicant”) and Mr Stanislav Lyudmilov Kopankov (“the fourth applicant”, together “the applicants”), on 27 July 2012.

2. The applicants were represented by Mr P. Kordov, a lawyer practising in Stara Zagora. The Bulgarian Government (“the Government”) were represented by their Agent, Ms K. Radkova of the Ministry of Justice.

3. The applicants complained, in particular, relying on Article 1 of Protocol No. 1 and Article 13 of the Convention, that they had been unable to receive compensation for property of theirs expropriated in the 1980s for urban development.

4. On 10 January 2014 the application was communicated to the Government. Further questions were put to the parties on 7 December 2016.

THE FACTS

I. THE CIRCUMSTANCES OF THE CASE

5. The first and third applicants were born in 1941, the second applicant was born in 1974, and the fourth applicant was born in 1967. The first,

second and third applicants live in Kazanlak and the fourth applicant lives in Sofia.

6. Ms Maria Kopankova and her grandson, the fourth applicant (son of the first applicant) co-owned a house with a garden in Kazanlak. At the time Ms Maria Kopankova lived in the house with her two sons, the first applicant and Mr Kancho Kopankov, and their families, which included the remaining applicants (the second and third applicants are Mr Kancho Kopankov's wife and son).

7. By a decision of the town mayor of 18 July 1988 the property was expropriated under the Territorial and Urban Planning Act with a view to constructing a residential building. The decision stated that each of the two owners (Ms Maria Kopankova and the fourth applicant) were to be compensated with a flat in a building which the municipality planned to construct.

8. After the expropriation the municipal authorities opened a blocked housing savings account with the State Savings Bank in the name of Ms Maria Kopankova and the fourth applicant and transferred to it 13,420 old Bulgarian leva (BGL) – the equivalent of the expropriated property's value as assessed at the time.

9. In 1989 Ms Maria Kopankova and the applicants were moved out of the expropriated property and the house was pulled down. Construction work started on the plot of land and the foundations of a future building were laid. However, the site was soon after that abandoned.

10. Throughout the years that followed Ms Maria Kopankova and the applicants petitioned on many occasions the municipal authorities to provide them with the compensation due, but to no avail. The mayor never took a decision specifying the exact future flats to be offered in compensation (see paragraph 20 below).

11. In 1998 Ms Maria Kopankova passed away and was succeeded by her sons, the first applicant and Mr Kancho Kopankov. The latter passed away in 2011 and was succeeded by the second and third applicants.

12. On 16 February 2009 the applicants and Mr Kancho Kopankov made a request to the mayor under section 9(2) of the transitional provisions of the Territorial Planning Act of 2001 (hereinafter "section 9(2)") for the revocation of the expropriation order of 18 July 1988. As no response followed, they applied for judicial review of the mayor's tacit refusal.

13. The Stara Zagora Administrative Court (hereinafter "the Administrative Court") gave a judgment on 27 May 2010. It found, firstly, that the fourth applicant and Ms Maria Kopankova, and subsequently her heirs, had not received the compensation due to them, namely two flats. It pointed out in this connection that the transfer of money to a blocked housing savings account in their name (see paragraph 8 above) was not equivalent to the provision of compensation. The Administrative Court found further that the authorities had not "taken possession" of the

applicants' property, within the meaning of section 9(2), because there had been no formal decision to take possession (as had been required at the time), and because in any event the construction work which had started on the plot had eventually been abandoned. Thus, the preconditions for the revocation of the 1988 expropriation under section 9(2) had been fulfilled. On that basis the Administrative Court quashed the mayor's tacit refusal and revoked the expropriation order.

14. The judgment above was not appealed against and became final.

15. In 2011 the applicants brought a tort action against the Kazanlak municipality under section 1 of the State and Municipalities Responsibility for Damage Act (see paragraph 23 below). They claimed the value of the house and of other objects (such as trees, the pavement and outbuildings) which had stood on the plot of land and had been destroyed, but for which they had never received any compensation. The applicants also made claims in respect of non-pecuniary damage.

16. In the context of the ensuing proceedings the Administrative Court, examining the case, appointed experts, who estimated the value of the house and the remaining objects at 37,868 new Bulgarian leva (BGN – the equivalent of approximately 19,370 euros (EUR)).

17. In a decision of 26 January 2012 the Administrative Court found the applicants' claims inadmissible and refused to examine them on the merits. It reasoned that the applicants' situation had been regulated by sections 9(1) and 9(2) of the transitional provisions of the Territorial Planning Act of 2001 (see paragraph 22 below, hereinafter "section 9(1)" and "section 9(2)"), and that the existence of such a special avenue of redress meant that the general tort provisions of the State and Municipalities Responsibility for Damage Act did not apply.

18. These conclusions were upheld in a final decision of 20 April 2012 of the Supreme Administrative Court, which added that since the expropriation of the applicants' property had been quashed and the expropriation proceedings completed, the municipality could not be liable for any damage stemming from these proceedings. It pointed out in addition that the applicants' claims did not fall to be examined by the civil courts, under the general rules of tort, and that the administrative courts remained competent to examine them, even though the claims were inadmissible. It thus refused to apply Article 135 § 2 of the Code of Administrative Procedure (see paragraph 25 below) and transfer the case to the civil courts, as the applicants had requested.

II. RELEVANT DOMESTIC LAW AND PRACTICE

A. Expropriation of property for public use

19. The relevant domestic law in force until 1996-98 concerning the expropriation of property for public use and the provision of compensation, especially under the Territorial and Urban Planning Act 1973 (*Закон за териториално и селищно устройство*), as well and the relevant domestic practice, have been summarised in the Court's judgments in *Kirilova and Others v. Bulgaria* (nos. 42908/98 and 3 others, §§ 72-79, 9 June 2005) and *Lazarov v. Bulgaria* (no. 21352/02, §§ 19-20, 22 May 2008). Between 1990 and 1998 the relevant provisions of the Territorial and Urban Planning Act were gradually superseded by other legislation, but it was provided that they would continue to govern expropriation proceedings which had already started.

20. In particular, the rules above provided that expropriations were to be effected by decisions of a mayor, which had to designate the property to be expropriated and its value, and to specify the manner (property or cash) and amount of compensation due to the dispossessed owner. Where compensation was in the form of other property in lieu, a subsequent supplementary decision of the mayor had to designate the exact property to be given.

21. In the case of compensation in the form of a flat which was yet to be built, a blocked account was to be opened in the name of the owners with the State Savings Bank and an amount corresponding to the estimated value of the expropriated property was to be deposited in that account. The owners could not withdraw or otherwise use this sum, which was intended to cover, usually in part only, the value of the property to be provided in compensation.

22. The Territorial Planning Act (*Закон за устройство на територията*), in force since 2001, contained provisions aimed at finalising expropriation proceedings which had commenced under the Territorial and Urban Planning Act 1973 and had not yet been completed. Section 9(2) of its transitional provisions provided, in particular, that the owners of expropriated property who had not yet received the compensation due to them, and where the authorities had not yet taken possession of the expropriated property, could apply to have the respective expropriation decision revoked. After such a revocation the expropriation proceedings would be closed. Where the authorities had already taken possession of the expropriated property, the former owners could seek under section 9(1) monetary compensation in lieu of compensation in the form of other property. The Supreme Administrative Court has constantly stated that the two provisions are applicable in different circumstances, their applicability depending on whether the authorities have taken possession or not of the

expropriated property (*Решение № 11381 от 12.12.2002 г. на ВАС по адм. д. № 7793/2002 г., II о.; Решение № 9432 от 16.11.2004 г. на ВАС по адм. д. № 5152/2004 г., IV о.; Решение № 7342 от 04.06.2009 г. на ВАС по адм. д. № 2627/2009 г., II о.; Решение № 15201 от 19.11.2013 г. на ВАС по адм. д. № 14811/2012 г., III о.*). Requests under sections 9(1) and 9(2) are to be addressed to the mayor of the respective municipality, whose decisions or tacit refusals are subject to judicial review.

B. State and municipalities' liability for damage

23. Section 1 of the State and Municipalities Responsibility for Damage Act (*Закон за отговорността на държавата и общините за вреди*) provides that the State and the municipalities are liable for damage suffered by private persons as a result of their unlawful decisions or actions committed in the course of or in connection with the performance of their duties. Such claims are examined by the administrative courts, under the rules of the Code of Administrative Procedure.

24. By contrast, where a tort claim concerns actions of the State or the municipalities which are not related to the exercise of public power (but, for example, to private-law transactions), it is to be examined by the civil courts, under the general rules of tort law.

25. Article 135 § 2 of the Code of Administrative Procedure provides that where an administrative court concludes that it is not competent to examine a case of which it is seized, it is to transfer it to the tribunal which is competent to do so. On those grounds, the administrative courts have regularly transferred cases brought under the State and Municipalities Responsibility for Damage Act to the respective civil courts, considering that those cases did not concern actions of the State or the municipalities related to the exercise of public power and were to be examined under the general rules of tort (see, for example, *Определение № 300 от 31.05.2012 г. на АдмС – Пазарджик по адм. д. № 414/2012 г.; Определение № 2892 от 22.06.2012 г. на АдмС – София по адм. д. № 5875/2012 г.*).

THE LAW

I. ALLEGED VIOLATION OF ARTICLE 1 OF PROTOCOL NO. 1

26. The applicants complained that they had been unable to receive compensation for the house and the remaining objects on their plot of land after the revocation of the 1988 expropriation. They relied on Article 1 of Protocol No. 1 to the Convention and Article 13.

27. The Court is of the view that it suffices to examine the complaint under Article 1 of Protocol No. 1, which reads as follows:

“Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.”

A. Arguments of the parties

1. The Government

28. The Government argued that the applicants had failed to exhaust the available domestic remedies, because they had not sought compensation under the general law of tort, and had instead of that relied on the State and Municipalities Responsibility for Damage Act, bringing claims which the domestic courts had found inadmissible.

29. The Government argued also that the applicants, owing to having “improperly conducted the proceedings” and failing to rely on section 9(1), had missed the opportunity provided for by law to receive compensation for their house. By relying, instead of that, on section 9(2) and seeking the revocation of the 1988 expropriation, they could not have had a legitimate expectation to receive anything apart from their land, because the house and the remaining objects on it had long before that ceased to exist.

2. The applicants

30. The applicants contested the Government’s objection of non-exhaustion of domestic remedies, pointing out that if their claim for damages against the Kazanlak municipality had indeed fallen to be examined under the general law of tort, the administrative courts, upon receipt of their statement of claim, would have transferred it to the civil courts, as they had been obliged to under Article 135 § 2 of the Code of Administrative Procedure.

31. The applicants contended that the revocation of the expropriation of their property, on the strength of the Administrative Court’s judgment of 27 May 2010, had given rise to an obligation for the municipality to give back to them everything it had taken. Until that judgment had been delivered, the applicants had been entitled to receive compensation for the house and the remaining objects on the land. Thus, it was only fair that after the judgment at issue, specifically after the revocation of the expropriation and the return of part of their expropriated property, they should have remained entitled to receive compensation for the remainder. The situation

in which they would be entitled to no compensation at all for part of their expropriated property was contrary to Article 1 of Protocol No. 1.

32. The applicants considered that the expropriation of their property in 1988, even though initially lawful, had become unlawful, entitling them to seek its revocation, after the municipality had for many years failed to provide the compensation due to them, namely two flats. They argued furthermore that they had had no choice as to whether they could rely on section 9(1) or section 9(2), as this did not depend on their will, but on whether the authorities had taken possession of the respective expropriated property.

B. The Court's assessment

1. Admissibility

33. The Court takes note of the Government's objection of non-exhaustion of domestic remedies, based on the fact that the applicants had not claimed compensation for their house and the other objects on the land under the general law of tort (see paragraph 28 above).

34. However, the Court observes that the applicants did bring proceedings seeking compensation for those properties, before the administrative courts, which are competent to examine claims under the State and Municipalities Responsibility for Damage Act (see paragraph 15 above). In its decision of 20 April 2012 the Supreme Administrative Court held expressly that it was the administrative courts who were competent to examine the applicants' claims, notwithstanding that those claims were to be dismissed as inadmissible. It thus refused to apply Article 135 § 2 of the Code of Administrative Procedure and transfer the case to the civil courts (see paragraph 18 above).

35. Accordingly, the Court cannot accept the Government's argument that the general law of tort was applicable and that the applicants had to pursue a claim under it, since such an argument, raised by the applicants, was rejected at the domestic level. It thus dismisses the Government's objection of non-exhaustion of domestic remedies.

36. The Court notes furthermore that the application is not manifestly ill-founded within the meaning of Article 35 § 3 (a) of the Convention. It notes that it is not inadmissible on any other grounds. It must therefore be declared admissible.

2. Merits

37. The Court has held that "possessions" within the meaning of Article 1 of Protocol No. 1 do not only include existing possessions or assets but also claims in respect of which an applicant has at least a legitimate expectation of obtaining effective enjoyment of a property right

(see, for example, *Prince Hans-Adam II of Liechtenstein v. Germany* [GC], no. 42527/98, § 83, ECHR 2001-VIII).

38. In the present case, the applicants' property, including a plot of land, their house and other objects, was expropriated in 1988 for urban development (see paragraph 7 above). It was decided at the time that Ms Maria Kopankova – from whom the remaining applicants inherited – and the fourth applicant would receive two flats in compensation. That legitimate expectation to receive two flats, amounting to “possessions” within the meaning of Article 1 of Protocol No. 1 (see *Kirilova and Others*, cited above, §§ 86 and 104), was not contested by the authorities and remained valid for many years, including after 7 September 1992 when the Convention entered into force in respect of Bulgaria.

39. In 2001 the Territorial Planning Act was adopted, introducing, in sections 9(1) and 9(2) of its transitional provisions, alternative means for the completion of pending expropriation procedures which had commenced under the Territorial and Urban Planning Act 1973. In particular, section 9(1) entitled expropriated owners whose property had already been taken by the authorities to apply for monetary compensation in lieu of compensation in the form of other property, and under section 9(2) expropriated owners whose property had not yet been taken by the authorities could seek the revocation of the respective expropriation (see paragraph 22 above).

40. Thus, after 2001 persons in a situation such as the applicants' – having had property of theirs expropriated years earlier and not having yet received the compensation due – had at their disposal different means to seek redress. They could certainly continue to await the compensation designated initially, such as the two flats in the applicants' case. In addition, they could seek to replace it with monetary compensation relying on section 9(1), or they could apply to have the expropriation quashed under section 9(2). What is important in the Court's view is that each of these avenues was intended to provide an asset equivalent in value to the value of the expropriated property and satisfy fully the expropriated owners. Neither the Territorial and Urban Planning Act 1973 nor the Territorial Planning Act 2001 envisaged or regulated a situation where no such equivalent asset would be provided in exchange for part of the expropriated property. Thus, in the present case, the introduction of sections 9(1) and 9(2) of the Territorial Planning Act created alternative venues for the completion of the expropriation procedure, but did not, in principle, change the nature of the applicants' legitimate expectation, namely to receive full compensation for their expropriated property.

41. After more than twenty years of waiting to receive the two flats that they were due under the 1988 expropriation decision, the applicants resorted to one of the alternative means. This decision on their part seems amply justified, in view of the lack of any evidence that throughout the years the

Kazanlak municipality ever took any steps to fulfil its obligation to construct and deliver such flats. Faced with the municipality's passivity, which, in itself, could have raised an issue under Article 1 of Protocol No. 1 (see, for example, *Kirilova and Others*, cited above, §§ 106-124, and *Antonovi v. Bulgaria*, no. 20827/02, §§ 28-31, 1 October 2009), the applicants made use of a remedy aimed at putting an end to the deadlock situation – they sought the quashing of the expropriation under section 9(2). The Court has already noted that, in a similar situation where it was clear that the compensation initially due would never be provided, the applicants had had to use the other remedies aimed at completing the expropriation procedure (see *Petrovi v. Bulgaria* [Committee], no. 26759/12, §§ 25-29, 2 February 2017).

42. Neither can the applicants be blamed for choosing the alternative under section 9(2) of the Territorial Planning Act, rather than the alternative under section 9(1). In view of the specific circumstances of the case and the excessive length of time the applicants had to wait to receive the compensation due to them, the Court cannot attach significant weight to their choice of procedure to seek redress. It is also significant that the applicants' entitlement to obtain the quashing of the expropriation of their property, under section 9(2), was confirmed by the Administrative Court, which allowed their request in that regard (see paragraph 13 above).

43. The applicants' attempt to obtain such redress led to a situation where they were unable to receive any compensation or another equivalent asset for part of their expropriated property, namely the house and the other objects which had stood on their land. This was so because by the time the Administrative Court quashed the expropriation of their property on the basis of section 9(2), the house and the remaining objects no longer existed, having been destroyed long time ago (see paragraph 9 above). When the applicants sought compensation in tort, the administrative courts dismissed their claim as inadmissible (see paragraphs 15-18 above).

44. The loss of the applicants' entitlement to receive compensation or any equivalent asset for part of their expropriated property amounted to deprivation of "possessions", within the meaning of the second sentence of the first paragraph of Article 1 of Protocol No. 1 (see *Parvanov and Others v. Bulgaria*, no. 74787/01, § 43, 7 January 2010). In order to meet the requirements of Article 1 of Protocol No. 1, such deprivation must be lawful and in the public interest, and must strike a fair balance between the demands of the general interest of the community and the requirements of the protection of the individual's fundamental rights (see, among other authorities, *Maurice v. France* [GC], no. 11810/03, §§ 81-82, ECHR 2005-IX, and *Velikovi and Others v. Bulgaria*, nos. 43278/98 and 8 others, § 160, 15 March 2007).

45. As to the first of these requirements, that of lawfulness, the Court observes once again that neither the Territorial and Urban Planning

Act 1973, applicable at the time of the expropriation of the applicants' property, nor the Territorial Planning Act 2001 envisaged or regulated a situation where no equivalent asset would be provided for part of an expropriated property. On the contrary, as noted already, all means of completing pending expropriation procedures were meant to ensure the provision of such equivalent assets, be it compensation in the form of other property, or monetary compensation, or revocation of the expropriation and return of the expropriated property. Consequently, there could be doubt as to whether the deprivation of the applicants of their "possessions" was in accordance with the requirements of domestic law, and thus whether it was "lawful" for the purposes of the analysis under Article 1 of Protocol No. 1 (see also *Parvanov and Others*, cited above, §§ 44-50, where the Court also found, in a similar situation, a breach of the requirement of lawfulness). Nevertheless, in view of its findings below, the Court considers that it does not have to reach a definite conclusion on the matter.

46. The Court is prepared to assume, in the next place, that the interference with the applicants' possessions could have pursued a legitimate aim in the public interest, namely the timely completion of the expropriation procedure which had been pending for a lengthy period of time.

47. However, the deprivation of the applicants of their possessions was not proportionate to any such aim. The Court already mentioned above that the applicants had waited for more than twenty years for the compensation due to them initially, namely two flats. Throughout these years they petitioned the Kazanlak municipality on many occasions to provide them with such flats, but to no avail (see paragraph 10 above). Faced with such passive attitude, and in view of the fact that the municipality had apparently not taken any steps towards discharging its obligation to deliver the two flats, the applicants pursued a remedy available to them to receive any redress whatsoever, namely they sought the revocation of the expropriation and the restitution of their property. However, the restitution was only partial and ultimately the applicants were found not to be entitled to any compensation for that part of the property which could not be returned to them.

48. In view of the considerations above, such an outcome cannot be seen as striking a fair balance between the legitimate aim the interference could have pursued, namely the timely completion of the expropriation procedure, and the applicants' property rights.

49. Accordingly, there has been a violation of Article 1 of Protocol No. 1.

II. APPLICATION OF ARTICLE 41 OF THE CONVENTION

50. Article 41 of the Convention provides:

“If the Court finds that there has been a violation of the Convention or the Protocols thereto, and if the internal law of the High Contracting Party concerned allows only partial reparation to be made, the Court shall, if necessary, afford just satisfaction to the injured party.”

A. Damage

1. *Pecuniary damage*

51. The applicants claimed, firstly, 40,000 Bulgarian leva (BGN) (the equivalent of 20,460 euros (EUR)) for the value of the house and the other objects on their land. They next claimed BGN 10,000 (EUR 5,100) for the necessary demolition and removal of the remnants of the construction work undertaken on their land after 1989 (see paragraph 9 above). They also claimed, without indicating an exact sum, compensation for the delay in receiving compensation for their expropriated property, starting from 2011 when they had brought a tort action against the Kazanlak municipality (see paragraph 15 above). The applicants requested that any amount awarded by the Court in respect of pecuniary damage be paid to the first applicant, Mr Lyudmil Slavov Kopankov.

52. The Government contested the claims, considering them exaggerated. As regards in particular the claim concerning the value of the expropriated house, they referred to a document issued by the Kazanlak municipality, showing that, had that house still existed, its value for tax purposes would have been BGN 10,219 (EUR 5,230).

53. The Court found that the applicants had lost, in breach of Article 1 of Protocol No. 1, their legitimate expectation to receive compensation for part of their expropriated property, namely the house and other objects on their land. It considers it appropriate that the award it is to make to recompense that loss should equal the market price of those properties (see *Parvanov and Others*, cited above, § 58). The Court sees no justification to award the value of the house as calculated for tax purposes, as suggested by the Government, as such a valuation does not necessarily correspond the respective property's market value (see *Chengelyan and Others v. Bulgaria* (just satisfaction), no. 47405/07, § 30, 23 November 2017).

54. In the domestic proceedings brought by the applicants the Administrative Court appointed experts, who calculated the market value of the house and the remaining objects at approximately EUR 19,370 (see paragraph 16 above). The parties have not provided the Court with any other assessment of those properties' value. Accordingly, the Court awards the applicants that amount.

55. The applicants claimed, in addition, compensation for the delay in receiving that sum, for the period after 2011 (see paragraph 51 above). The Court observes that it can apply an interest rate, which is intended to compensate for loss of value of the award over time and should therefore reflect national economic conditions, such as levels of inflation and rates of interest during the relevant period (see *Runkee and White v. the United Kingdom*, nos. 42949/98 and 53134/99, § 52, 10 May 2007, and *Vaskrsić v. Slovenia*, no. 31371/12, § 98, 25 April 2017). Applying these criteria, the Court awards the applicants EUR 1,500 under the present head.

56. Lastly, the Court does not discern any causal link between the concrete violation of the applicants' property rights and any expenses incurred by them in relation to the clearing up of their plot of land. Accordingly, it rejects this part of their claim.

57. The total award for pecuniary damage is thus EUR 20,870 (see paragraphs 54-55 above). As requested by the applicants (see paragraph 51 above *in fine*), it is to be paid entirely to Mr Lyudmil Slavov Kopankov.

2. Non-pecuniary damage

58. The applicants claimed BGN 10,000 (EUR 5,100) for each of them in respect of non-pecuniary damage.

59. The Government considered the claims exaggerated.

60. The Court is of the view that the applicants must have suffered frustration as a result of the refusal of the authorities to provide the compensation to which they were entitled. Judging on an equitable basis, it awards to each of them EUR 2,000 under this head.

B. Costs and expenses

61. The applicants also claimed the reimbursement of the expenses incurred in the tort proceedings brought by them in 2011 (see paragraphs 15-18 above). They presented invoices showing that they had paid BGN 225 (the equivalent of EUR 115) for court fees, and a declaration by their lawyer who stated that he had been paid BGN 3,000 (EUR 1,530) for the applicants' legal representation before the Administrative Court. The applicants requested that any award made under this head be paid solely to the first applicant, Mr Lyudmil Slavov Kopankov.

62. For the proceedings before the Court, the applicants claimed EUR 4,000 for legal representation, submitting a contract with their lawyer and a time-sheet. They requested that any award made by the Court be paid directly to their lawyer, Mr P. Kordov.

63. The Government contested the claims, arguing that the amounts claimed were exaggerated.

64. According to the Court's case-law, an applicant is entitled to the reimbursement of costs and expenses only in so far as it has been shown

that these have been actually and necessarily incurred and are reasonable as to quantum.

65. In the present case, regard being had to the documents in its possession and the above criteria, the Court awards the applicants the EUR 115 paid by them for court fees in the domestic proceedings and EUR 500 for their legal representation in those proceedings, considering the amount they claimed excessive in view of the fact that the Administrative Court never examined their claims on the merits. As requested by the applicants, the total sum of EUR 615 awarded for the domestic proceedings is to be paid solely to Mr Lyudmil Slavov Kopankov.

66. Lastly, for the proceedings before it and in view of the criteria set out in paragraph 64 above, the Court considers it reasonable to award the entire sum claimed by the applicants, namely EUR 4,000, which is to be paid directly to their legal representative.

C. Default interest

67. The Court considers it appropriate that the default interest rate should be based on the marginal lending rate of the European Central Bank, to which should be added three percentage points.

FOR THESE REASONS, THE COURT, UNANIMOUSLY,

1. *Declares* the application admissible;
2. *Holds* that there has been a violation of Article 1 of Protocol No. 1;
3. *Holds*
 - (a) that the respondent State is to pay the applicants, within three months from the date on which the judgment becomes final in accordance with Article 44 § 2 of the Convention, the following amounts, to be converted into Bulgarian leva at the rate applicable at the date of settlement:
 - (i) EUR 20,870 (twenty thousand eight hundred and seventy euros), plus any tax that may be chargeable, in respect of pecuniary damage, to be paid solely to Mr Lyudmil Slavov Kopankov;
 - (ii) EUR 2,000 (two thousand euros) to each applicant, plus any tax that may be chargeable, in respect of non-pecuniary damage;
 - (iii) EUR 4,615 (four thousand six hundred and fifteen euros), plus any tax that may be chargeable to the applicants, in respect of costs and expenses, EUR 615 (six hundred and fifteen euros) of which is to be paid to Lyudmil Slavov Kopankov, and EUR 4,000 (four

thousand euros) directly to the applicants' legal representative, Mr P. Kordov;

(b) that from the expiry of the above-mentioned three months until settlement simple interest shall be payable on the above amounts at a rate equal to the marginal lending rate of the European Central Bank during the default period plus three percentage points;

4. *Dismisses* the remainder of the applicants' claim for just satisfaction.

Done in English, and notified in writing on 6 September 2018, pursuant to Rule 77 §§ 2 and 3 of the Rules of Court.

Milan Blaško
Deputy Registrar

Angelika Nußberger
President