



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

SECOND SECTION

CASE OF BEČVÁŘ AND BEČVÁŘOVÁ v. THE CZECH REPUBLIC

(Application no. 58358/00)

JUDGMENT

STRASBOURG

14 December 2004

FINAL

14/03/2005

This judgment will become final in the circumstances set out in Article 44 § 2 of the Convention. It may be subject to editorial revision.

In the case of Bečvář and Bečvářová v. the Czech Republic,

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

Mr J.-P. COSTA, *President*,
Mr A.B. BAKA,
Mr I. CABRAL BARRETO,
Mr K. JUNGWIERT,
Mr M. UGREKHELIDZE,
Mrs A. MULARONI,
Mrs E. FURA-SANDSTRÖM, *judges*,
and Mrs S. DOLLÉ, *Section Registrar*,

Having deliberated in private on 23 November 2004,

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

PROCEDURE

1. The case originated in an application (no. 58358/00) against the Czech Republic lodged with the European Commission of Human Rights (“the Commission”) under former Article 25 of the Convention for the Protection of Human Rights and Fundamental Freedoms (“the Convention”) by two Czech nationals, Mr Karel Bečvář and Ms Hana Bečvářová (“the applicants”), on 6 August 1997.

2. The applicants were represented by Mrs Z. Volfová, a lawyer practising in Trutnov. The Czech Government (“the Government”) were represented by their Agent, Mr V. Schorm, from the Ministry of Justice.

3. On 4 June 2002 the Court declared the application partly inadmissible and decided to communicate the issues under Article 6 § 1 of the Convention and Article 1 of Protocol No. 1, arising from the length of the domestic proceedings. (A question was raised *ex officio* under Article 13 of the Convention which the Court now sets aside as being superfluous.) Applying Article 29 § 3 of the Convention, it decided to rule on the admissibility and merits of the application at the same time.

THE FACTS**I. THE CIRCUMSTANCES OF THE CASE**

4. The applicants were born in 1951 and 1952 respectively, and live in Svoboda nad Úpou.

1. Background to the case

5. In January 1986 the applicants bought from the State a house, which had been seized after the emigration of the former owners. The applicants made an initial payment of CZK 100,000 by 30 April 1986, the remaining sum of CZK 244,846 to be paid in fifteen annual instalments. However, the purchase was without risk of forfeiture if such an instalment remained unpaid.

6. Pursuant to the Extra-Judicial Rehabilitation Act (hereinafter “the Act”), in December 1991 the former owners brought an action against the applicants for the restitution of their property. In January 1996 the applicants were ordered to restore the property to the former owners. In May 1999 the applicants were ordered to vacate the house within a year of the coming into force of the first instance judgment without receiving compensatory accommodation.

7. In February 2002 the District Court ordered the execution of its judgment for the applicants' eviction. In May 2000 the Regional Court upheld the order. In October 2002 the District Court dismissed the applicants' request to suspend the execution. In April 2003 the Regional Court upheld the District Court's dismissal.

8. On 28 January 2004 the applicants were informed that the eviction would take place on 23 February 2004. On 19 February 2004 the District Court dismissed their request to suspend the eviction. On 23 February 2004, the applicants' lawyer was served with the District Court's dismissal of 19 February 2004 and, on 9 March 2004, she filed an appeal which is still pending before the Regional Court.

9. Apart from the two aforesaid proceedings, the former owners instituted proceedings against the applicants for the illegal use of the house since 1 January 1996, seeking payment of outstanding rent in the amount of CZK 431,000 (13,596 EUR). In these proceedings, which have been pending since 10 October 1997, the applicants sought to recover damages to compensate for expenditure invested in material improvements to the house, filing a counterclaim (*kompenzační námitka*) for CZE 300,000 (EUR 9,464) on 5 January 1998, apparently under section 7(4) of the Act. This provides that, if the value of the property has increased so that its price, as assessed on the day of the submission of the written request by the entitled person, substantially exceeds the original purchase price of the property, it is left to the discretion of the entitled person whether he or she will request financial compensation or the return of the property. If he or she insists on the surrender of the property, the entitled person must compensate the person obliged to return the property for the difference between the two prices.

2. Proceedings for damages

10. In September 1997 the applicants lodged with the Ministry of Finance a request for reimbursement of the purchase price, pursuant to section 11 of the Act, which entitles physical persons who are under an obligation to restore property to recover the price they had paid when acquiring such property from the State. On 4 February 1998, upon the Ministry's request of 5 November 1997, they submitted additional documents. On 13 March 1998 their lawyer informed the Ministry that, on 11 March 1998, she had obtained the document of the Svoboda nad Úpou Municipal Office (*městský úřad*) confirming that the applicants had so far paid CZK 295,888 (EUR 9,334) of the purchase price. In a letter of 15 May 1998, the Ministry informed the applicants' lawyer that they would deal with her clients' request for reimbursement of the purchase price on reception of the restitution agreement (*dohoda o vydání věci*) which, together with other documents, had not yet been adduced by the applicants. They were further requested to provide evidence of the amount of the purchase price which they had already paid. The applicants' lawyer replied on 9 June 1998.

11. On 18 January 1999 the applicants lodged an action for damages against the Ministry of Finance and the Trutnov District Office (*okresní úřad*), seeking compensation in the amount of CZK 500,000 (EUR 15,773) for damage caused by the allegedly erroneous action of a public authority by virtue of the State Liability Act, no. 58/1969. The damages which they requested corresponded to the difference between the original purchase price (CZK 344,846 - EUR 10,878) and the price which should now be paid for a house of the same standard. By instituting this action, the applicants further sought to recover damages to compensate for the second applicant's loss of business premises and customers (she is a dressmaker), for the betterment of the land on which the house had been built and for the loss of accommodation.

12. On 15 February and 10 May 1999 respectively, the District Office and the Ministry of Finance presented their comments on the action.

13. On 17 June 1999 the applicants' lawyer sent documents issued by the Svoboda nad Úpou Municipal Office on 7 June 1999 proving that the applicants had already paid CZK 321,212 (EUR 10,133).

14. On 5 October 1999 the applicants' lawyer sent an additional document to the Ministry of Finance concerning their request for reimbursement of the purchase price.

15. On 20 October 1999 the applicants extended their action, also directing it against the Town of Svoboda nad Úpou and the Ministry of the Interior. The two new defendants commented upon the action on 8 November 1999 and 14 February 2000 respectively.

16. According to the Government, on 29 November 1999 the applicants' lawyer informed the Ministry of Finance that the property at issue had been

restored to the former owners in accordance with the judgment. She said that her clients did not agree with the judgment and would continue to pay annual instalments towards the purchase price. She stated that she would inform the Ministry whether she wished to have the purchase price reimbursed or whether she would wait.

17. On 28 December 1999 the applicants were invited to submit observations on the arguments of the Ministry of the Interior. They did so on 10 January 2000.

18. By a letter of 24 January 2000 the Ministry of Finance informed the applicants' lawyer that, *inter alia*, it had all the documents necessary for the settlement of their request for reimbursement of the purchase price under section 11 of the Act. Nevertheless, it asked the lawyer to submit an additional document and to specify whether the sum of CZK 312,212 (EUR 9,848), corresponding to the part of the purchase price which the applicants had paid so far, had to be reimbursed and, if so, to which bank account.

19. At a hearing of 12 October 2000, the District Court invited the applicants to rectify certain shortcomings in their action and to specify which of the four defendants in fact represented the interests of the State. On 12 December 2000 the court urgently reminded the applicants to submit this information.

20. On 12 March 2001 the District Court, upon the applicants' request received on 10 January 2001, adjourned the proceedings pending the Supreme Court's decision on the applicants' appeal on points of law concerning their eviction from the house.

21. On 30 October 2001 the District Court resumed the proceedings for damages, the decision of the Supreme Court of 28 June 2001 rejecting the applicants' appeal having become effective on 19 July 2001.

22. On 2 November 2001 the court invited the applicants to rectify, within four weeks, certain shortcomings in their action, to specify who of the four defendants in fact represented the State, and to quantify their claim for damages. On 16 November 2001 the Ministry of the Interior requested the court to take a decision in this respect.

23. On 18 February 2002 the applicants rectified their action. However, on 24 October 2002, they were requested to rectify further shortcomings and supplement their action.

24. On 28 November 2002, upon the District Court's invitation of 22 October 2002, the applicants specified their arguments on which they based their action for damages. On 18 December 2002 they adduced further documentary evidence, proposing that the District Court ensure the submission of certain additional documents.

25. On 7 February 2003 the Ministry of Finance informed the District Court that the applicants had requested to have the purchase price reimbursed but that, according to their lawyer, they had not complied with the court judgment to return the house, had continued to pay the annual

instalments and, therefore, had not insisted on the settlement of the case, i.e. on the reimbursement of the purchase price. The Ministry assured the court that it was ready to reimburse the amount due to the applicants.

26. On 24 April 2003 a hearing was held by the District Court, and was adjourned until 23 June 2003.

27. On 4 June 2003 the applicants submitted their supplementary observations on the merits of their action for damages.

28. The hearing held on 23 June 2003 was adjourned to 14 July 2003, when the District Court decided that the proceedings concerning the payment of the purchase price, with interest for the delays in payment since 18 January 1999, would be considered separately. It dismissed the remainder of the applicants' claim for damages.

29. On the same day, the Ministry of Finance reimbursed the whole purchase price of CZK 344,846 (EUR 10,878) to the applicants who, on 11 August 2003, withdrew the relevant part of their action for damages.

30. On 18 December 2003 the Regional Court, upon the applicants' appeal of 1 September 2003, upheld the merits of the District Court's judgment.

31. On 22 March 2004 the applicants filed an appeal on points of law (*dovolání*) in the Supreme Court (*Nejvyšší soud*). These proceedings are still pending.

32. On 21 June 2004 the District Court, after having held a hearing on 4 June 2004, stayed the proceedings as to the payment of the purchase price. It ordered the Ministry of Finance to pay interest for the delays in payment since 18 January 1999 within three days of the coming into force of the judgment.

33. The defendant lodged an appeal against this judgment. The appellate proceedings are still pending.

THE LAW

I. ALLEGED VIOLATION OF ARTICLE 6 § 1 OF THE CONVENTION

34. The applicants complained that the length of the proceedings for damages had been incompatible with the “reasonable time” requirement, provided in Article 6 § 1 of the Convention, which reads as follows:

“In the determination of his civil rights and obligations ..., everyone is entitled to a ... hearing within a reasonable time by [a] ... tribunal...”

35. The Government contested that argument.

36. The period to be taken into consideration began on 18 January 1999, when the applicants lodged an action for damages with the Trutnov District

Court, and has not yet ended. It has thus lasted over five years and ten months, for two levels of jurisdiction.

A. Admissibility

37. Under Article 35 § 1 of the Convention, the Court may only deal with a matter after all domestic remedies have been exhausted.

38. The Government contended that the applicants had not exhausted available domestic remedies with regard to their complaint about the length of the proceedings. They submitted that administrative hierarchical complaints about the length of proceedings may be lodged with the president of the competent court, with the president of the superior court or with the Ministry of Justice, and that this system, governed by Act no. 335/1991 which was, on 1st April 2002, replaced by Act no. 2/2002, is complemented by the possibility of constitutional appeals.

39. The applicants disputed the Government's arguments.

40. The Court recalls that at the material time there was no effective remedy under the Czech law to complain about the length of civil proceedings (*Hartman v. Czech Republic*, no. 53341/99, § 84, ECHR 2003-VIII). It is true that in the present case the Government also refer to the new Act no. 6/2002. However, the Court considers that this Act did not introduce a new system of administrative complaints against delays in proceedings, nor did it modify the previous one in a substantive manner. Therefore, the Court finds that it has not been established that the applicants had any effective remedy at their disposal which would have enabled them to submit their complaint under Article 6 § 1 of the Convention to the domestic authorities.

Accordingly, the application cannot be declared inadmissible for non-exhaustion of domestic remedies.

41. The Court notes that this complaint is not manifestly ill-founded within the meaning of Article 35 § 3 of the Convention. It further notes that it is not inadmissible on any other grounds. It must therefore be declared admissible.

B. Merits

42. The Government submitted that the proceedings for damages were interconnected to other proceedings before the Trutnov District Court in which the applicants were or had been involved.

43. They maintained that the applicants had contributed to the prolongation of the proceedings by extending their action for damages to two other defendants and failing to reply to the District Court's request to clarify which one of the four defendants represented the State, and to justify their damage claim. The first applicant had stayed abroad although his

lawyer had needed to discuss the procedural steps with both applicants between 12 March and 30 October 2001. Moreover, the proceedings had been suspended upon the applicants' own request. Lastly, the Government noted that the proceedings had been protracted by the successive appointment of three different judges at the District Court.

44. The applicants disputed the arguments of the Government. They contended that, as they had not had the financial means to alleviate their precarious situation because their request of 18 September 1997 for reimbursement of the purchase price had not been dealt with diligently by the Ministry of Finance, they had instituted the proceedings for damages.

45. They submitted that they had been in a very difficult situation when their eviction from the house had been ordered, without any possibility of compensatory accommodation. Moreover, they had been involved in the proceedings instituted against them by the former owner, in which they had been faced with a claim for CZK 442,000 (EUR 13,943) in allegedly outstanding rent payments on the house. They added that the hearing held by the District Court on 12 October 2002 had been the only one they had been unable to attend.

46. The Court reiterates that the reasonableness of the length of proceedings must be assessed in the light of the circumstances of the case and with reference to the following criteria: the complexity of the case, the conduct of the applicants and the relevant authorities and what was at stake for the applicants in the dispute (see, among many other authorities, *Frydlender v. France* [GC], no. 30979/96, § 43, ECHR 2000-VII).

47. The Court considers that, even though the proceedings for damages may have been complex from a procedural, factual or legal point of view, given their inter-connection with other proceedings in which the applicants were or still are involved, it cannot be said that this in itself justified the total length of the proceedings.

48. As to the conduct of the applicants, the Court observes that they successfully requested the suspension of the District Court proceedings pending the Supreme Court's decision on their appeal on points of law concerning their eviction (paragraph 20 above), and that they delayed in replying to certain of the District Court's requests. However it does not appear that these events significantly prolonged the proceedings.

49. In contrast, the Court considers that three specific periods of delay are attributable to the domestic courts. In the first place, a period of approximately nine months elapsed between 10 January 2000, when the applicants submitted observations, and the next hearing held on 12 October 2000 (see paragraphs 17 and 19 above). Secondly, there was a delay of eight months between 18 February 2002, when the applicants rectified their action, and 24 October 2002, when the District Court invited them to make further rectifications (see paragraph 23 above). Thirdly,

appeal proceedings have been pending since March 2004 (paragraphs 31 and 33 above).

50. The Court notes that the applicants' action concerned the payment of damages for the purchase price of the house which they had been ordered to restore without compensatory accommodation. The Court considers that what was at stake in these proceedings was undoubtedly of significant importance for the applicants, and required the domestic courts to show particular diligence in their handling of the case.

51. Having examined all the material submitted before it, the Court considers that, in the instant case, the length of the proceedings was excessive and failed to meet the "reasonable time" requirement.

There has accordingly been a breach of Article 6 § 1.

II. ALLEGED VIOLATION OF ARTICLE 1 OF PROTOCOL No. 1 ON ACCOUNT OF THE LENGTH OF THE PROCEEDINGS

52. In its partial decision as to the admissibility of the application, the Court considered it appropriate also to examine the applicants' claim of the unreasonable length of the proceedings under the right to property ensured by Article 1 of Protocol No. 1.

53. Article 1 of Protocol No. 1 provides 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."

54. The Court considers that this complaint is closely linked to that under Article 6 § 1 of the Convention and is, likewise, admissible.

55. However, having regard to its finding of a breach of Article 6 § 1 of the Convention (see paragraph 51 above), the Court now finds that it is not necessary to examine separately whether, in the present case, there has been a violation of Article 1 of Protocol No. 1 on this length basis (see *Zanghi v. Italy*, judgment of 19 February 1991, Series A no. 194-C, p. 47, § 23). The Court recalls that the eventual negative repercussions on an applicant's property rights caused by the excessive length of proceedings may be analysed as a consequence of the violation of Article 6 § 1 of the Convention and taken into account for the award of just satisfaction under the latter provision (cf. *Varipati v. Greece*, judgment of 26 October 1999, n° 38459/97 § 32).

III. ALLEGED VIOLATION OF ARTICLE 1 OF PROTOCOL No. 1 ON ACCOUNT OF THE CONSEQUENCES OF THE RESTITUTION

56. In its partial decision on the admissibility of the application, the Court held that the applicants' complaint that their eviction had been ordered without provision of alternative accommodation, despite their precarious situation, constituted, at that stage of the proceedings, an integral element of the above length and property issues, which did not require a separate examination.

However, having regard to the developments in the case and the applicants' present circumstances, it now considers it appropriate to examine this matter separately.

Admissibility

57. The Government conceded that Article 1 of Protocol No. 1 applied in the present case. They maintained that the restitution of the applicants' house had been ordered on the basis of the Extra-Judicial Rehabilitation Act, whose purpose was to mitigate the effects of certain wrongs committed between 25 February 1948 and 1 January 1990 which had not been compatible with the principles of a democratic society. According to the Government, the Act sought to strike a fair balance between the means used and the aim pursued. In the present case, the applicants had bought their house from the State. The purchase was without risk of forfeiture if an instalment of the price had remained unpaid. This last element was contrary to the law then in force and, therefore, constituted a ground for restitution under the Act.

58. The Government submitted that the applicants had the right to have the original purchase price reimbursed, pursuant to section 7(4) of the Act, and they filed a request to that effect in September 1997. Although the applicants had supplemented the request by adducing different documents until October 1999, the amount they requested remained unclear. In November 1999 their legal representative had informed the Ministry of Finance that they did not insist, at that stage of the proceedings, on the reimbursement of the purchase price. According to the Government, the applicants could have resolved their situation earlier. Moreover, the Ministry of Finance had not been informed that the applicants had paid the last instalment of the purchase price in 2001.

59. The Government noted that the applicants' claim for damages against the State went beyond the scope of the Act. Nevertheless, the proceedings had not been terminated yet; their result is therefore unclear. They added that the applicants had filed their action for damages nine months before they had sent the last document concerning the reimbursement of the purchase price to the Ministry of Finance, and before their legal

representative had asked for the suspension of the reimbursement proceedings.

60. The Government submitted that the Act did not provide for compensatory accommodation for those who were ordered to restore immovable property to other persons. The Government underlined that the applicants had had one year to solve their housing problems. In fact, this time-limit had been extended until 19 July 2001, the date on which the judgment of the Supreme Court determining the applicants' appeal on points of law had become final. The flat which the applicants had left, on purchasing the house, had been owned by the employer of the first applicant. They applicants had not, therefore, relinquished State accommodation, but had changed from one kind of private accommodation to another.

61. The Government stated that the applicants had started to occupy the house at Christmas 1985, before the conclusion of the purchase agreement on 2 January 1986 and its subsequent registration by the Notary on 8 January 1986. The judgment by which the former owners had been convicted of deserting the Republic, and had had all their property confiscated, became final on 14 January 1986. Apart from the main reason for the restitution of the house to the former owner (i.e. the illegal advantage from which the applicants had benefited regarding the payment of unconditional annual instalments, contrary to Decree No. 90/1984 on the Administration of National Property), it appeared from the court judgments and files that the first applicant had maintained relations with the former representatives of the Svoboda nad Úpou Town who had decided to assign the house to them. They had therefore been unduly advantaged vis-à-vis other persons interested in purchasing the house. The Government considered that it was doubtful that the applicants had purchased the house in good faith.

The Government concluded that the balance between the individual burden imposed on the applicants and the compensation to which they were entitled under the Act had not been manifestly upset.

62. The applicants disputed the Government's arguments.

63. The Court recalls that "possessions" within the meaning of Article 1 of Protocol No. 1 to the Convention may be either "existing possessions" or valuable assets, including claims, under certain conditions (see *Van der Mussele v. Belgium*, judgment of 23 November 1983, Series A no. 70, p. 23, § 48).

64. The Court finds that the applicants had a "possession" within the meaning of Article 1 of Protocol No. 1 to the Convention. For about twelve years they possessed the house in question and were considered its owners for all legal purposes. The order by the domestic courts that they return this property to its former owners thus constituted a clear interference with the

applicants' possessions, amounting to a deprivation within the meaning of the second sentence of the provision.

65. The Court must next determine whether a fair balance was struck between the general interests of the community and the individual's fundamental rights (see *Pressos Compania Naviera S.A. and Others v. Belgium*, judgment of 20 November 1995, Series A no. 332, p. 23, § 38).

66. In examining whether the interference with the applicants' rights under Article 1 of Protocol No. 1 was justified, the Court attaches importance to the special background of the Act. In this connection it recalls that, because of their direct knowledge of their society and its needs, the national authorities are in principle better placed than the international judge to appreciate what is "in the public interest". Under the system of protection established by the Convention, it is thus for the national authorities to make the initial assessment of the existence of a problem of public concern warranting measures which may interfere with property rights. Where the legislature has made a choice by enacting laws which it considers to be in the general interest, the possible existence of alternative solutions does not in itself nullify the justification behind the contested legislation. Accordingly, States enjoy a certain margin of appreciation in this sphere (see, *Malama v. Greece*, no. 43622/98, § 46, ECHR 2001-II). It is not for the Court to say whether the legislation represented the best solution, provided that the authorities remain within the bounds of that margin (see, *mutatis mutandis*, *Mellacher and Others v. Austria*, judgment of 19 December 1989, Series A no. 169, p. 28, § 53).

67. The Court notes that the aim of the Extra-Judicial Rehabilitation Act was to mitigate certain wrongs caused by undemocratic acts in the past and to prevent their re-occurrence. Thus the Act pursued the legitimate aim of safeguarding the lawfulness of legal transactions. It promoted the principles of a democratic society and provided redress for past injustices. In these circumstances, and having regard to the State's margin of appreciation, the Court accepts that the deprivation of property experienced by the applicants served not only the interests of the original owners of the house in question, but also the general interests of society as a whole (see, *mutatis mutandis*, *Pinc and Pincová v. the Czech Republic*, no. 36548/97, § 51, ECHR 2002-VIII).

68. However, the Court recalls that a person deprived of property must in principle obtain compensation which is reasonably related to its value, even though the legitimate objectives of public interest may call for the reimbursement of less than the full market value (see *Pressos Compania Naviera S.A. and Others v. Belgium*, judgment of 20 November 1995, Series A no. 332, p. 23, § 38, and *The Holy Monasteries v. Greece*, judgment of 9 December 1994, Series A no. 301-A, pp. 34-35, §§ 70-71). Thus, Article 1 of Protocol No. 1 does not guarantee a right to full compensation in all

circumstances (see *Broniowski v. Poland* [GC], no. 31443/96, § 182, to be published in ECHR 2004).

69. Whilst accepting the legitimacy of the general objective of restitution laws, the Court considers it necessary to avoid that the attenuation of past injustices does not create new wrongs. To that end, legislation should make it possible to take into account the particular circumstances of each case, so that persons who acquired possessions in good faith are not made to bear the burden of responsibility which is rightfully that of the State which previously confiscated the disputed possessions (see *Pinc and Pincová*, cited above, § 58).

70. On the question of the burden borne by the applicants in the instant case, the Court considers that it is not required to decide on what basis the domestic courts should have assessed the amount of compensation payable (see, *mutatis mutandis*, *Malama v. Greece*, cited above, § 51). Instead, the Court observes, on the one hand, that the Act did not require compensatory accommodation to be provided and that the applicants were reimbursed the original purchase price, fixed in January 1986 but not paid until July 2003, by which time the sum had obviously suffered considerable devaluation.

On the other hand, it observes that the applicants purchased the house with a payment of CZK 100,000, plus CZK 244,846, to be paid over fifteen annual instalments. It further observes that, under section 7(4) of the Act, the applicants could claim compensation for the increase in the property's value from the persons entitled to its restitution. The latter would then be required to compensate any difference between the price at the time of the submission of their restoration request and the original purchase price. The Court notes in this regard that the proceedings instituted against the applicants by the former owners, in which the applicants made a counterclaim, are still pending before the District Court (paragraph 9 above). In addition, the decision of the District Court by which the applicants were awarded interest for the delays in payment of the purchase price since 18 January 1999 by the Ministry of Finance is the subject of pending appellate proceedings (paragraphs 32-33 above).

Lastly, the Court observes that, while it is true that the applicants received the purchase price six years after the introduction of their request to the Ministry of Finance, they were not compelled to leave the house until February 2004, seven months after the purchase price had actually been reimbursed (paragraphs 8 and 29 above).

71. In these circumstances, the Court does not consider that the Czech authorities acted beyond the margin of appreciation left to States under Article 1 of Protocol No. 1 or that the burden borne by the applicants was disproportionate. It follows that this part of the application is manifestly ill-founded within the meaning of Article 35 § 3 of the Convention and must be rejected pursuant to Article 35 § 4.

IV. APPLICATION OF ARTICLE 41 OF THE CONVENTION

72. 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

73. The applicants claimed CZK 3,200,000 (EUR 100,946) in respect of pecuniary and non-pecuniary damage for the loss of the house, loss of rent, the first applicant's loss of business premises and customers, and for long periods of mental distress which they and their daughter had endured.

74. The Government contested the claims.

75. The Court does not discern any causal link between the violation found and the pecuniary damage alleged; it therefore rejects this aspect of the claim. However, on an equitable basis, it awards the applicants, jointly, a global sum of EUR 2,500 in respect of non-pecuniary damage.

B. Costs and expenses

76. The applicants also claimed CZK 106,000 (EUR 3,344) for the costs and expenses incurred before the Court.

77. The Government contested the claim.

78. According to the Court's case-law, an applicant is entitled to reimbursement of his costs and expenses only in so far as it has been shown that these have been actually and necessarily incurred and were reasonable as to quantum. In the present case, regard being had to the information in its possession and the above criteria, the Court finds it reasonable and equitable to award EUR 900 to the applicants jointly under this head.

C. Default interest

79. The Court considers it appropriate that the default interest 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 complaint concerning the excessive length of the proceedings and the complaint under Article 1 of Protocol No. 1 on

account of the length of the proceedings admissible and the remainder of the application inadmissible;

2. *Holds* that there has been a violation of Article 6 § 1 of the Convention;
3. *Holds* that it is unnecessary to rule on the complaint under Article 1 of Protocol No. 1;
4. *Holds*
 - (a) that the respondent State is to pay the applicants, jointly, within three months from the date on which the judgment becomes final according to Article 44 § 2 of the Convention, the following global sums, to be converted into the national currency of the respondent State at the time of payment:
 - (i) EUR 2,500 (two thousand five hundred euros) in respect of non-pecuniary damage, and
 - (ii) EUR 900 (nine hundred euros) in respect of costs and expenses,
 - (iii) plus any tax that may be chargeable;
 - (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;
5. *Dismisses* unanimously the remainder of the applicants' claim for just satisfaction.

Done in English, and notified in writing on 14 December 2004, pursuant to Rule 77 §§ 2 and 3 of the Rules of Court.

S. DOLLÉ
Registrar

J.-P. COSTA
President