



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

THIRD SECTION

CASE OF VON HOFFEN v. LIECHTENSTEIN

(Application no. 5010/04)

JUDGMENT

STRASBOURG

27 July 2006

FINAL

11/12/2006

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 von Hoffen v. Liechtenstein,

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

Mr B.M. ZUPANČIČ, *President*,

Mr J. HEDIGAN,

Mr L. CAFLISCH,

Mr V. ZAGREBELSKY,

Mrs A. GYULUMYAN,

Mr E. MYJER,

Mrs I. ZIEMELE, *judges*,

and Mr R. LIDDELL, *Section Registrar*,

Having deliberated in private on 6 July 2006,

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

PROCEDURE

1. The case originated in an application (no. 5010/04) against the Principality of Liechtenstein lodged with the Court under Article 34 of the Convention for the Protection of Human Rights and Fundamental Freedoms (“the Convention”) by a national of Liechtenstein, Mr Eugen von Hoffen (“the applicant”), on 1 September 2004.

2. The applicant was represented by Mr J. Frey, a lawyer practising in Triesen.

3. On 26 October 2005 the Court decided to communicate the complaint about the length of the proceedings to the respondent Government. 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 applicant was born in 1952 and currently lives in Schaanwald.

5. On 17 December 1991 investigating judge L. at the Vaduz Regional Court (*Landgericht*) heard the applicant, who was named Eugen Heeb at that time, on suspicion of fraud (proceedings 8 Vr 17/91). He was questioned in particular about his activities as a member of the board of directors of MGS, a stock company considered to be the centre of a whole network of companies involved in large-scale investment fraud.

6. On 4 May and 1 July 1994, respectively, two further sets of proceedings (8 Vr 211/94 and 8 Vr 305/94) concerning charges of investment fraud were opened against the applicant. One set of proceedings concerned investment fraud committed to the detriment of Allgemeine Vermögensverwaltung Frankfurt and Ahorn Trust. The other concerned investment fraud committed to the detriment of investors of Merkantus AG and Allied Banking Corporation. On 6 June 1994 the applicant was questioned as a suspect.

7. On 6 November 1996, the applicant changed his name to von Hoffen through adoption.

8. On 23 January 1997 the Mannheim Public Prosecutor transmitted files concerning investigations on suspicion of investment fraud against the applicant and a number of accomplices, relating partly to the same facts as the investigations opened by the Liechtenstein authorities. On 15 June 1997 a search of the applicant's premises was carried out at which a number of documents were seized. On 1 July 1997 the applicant was questioned as a suspect. It appears that, subsequently, witnesses were questioned by the police at the investigating judge's request, and a further search warrant was issued.

9. Investigating judge L. at the Vaduz Regional Court issued an arrest warrant against the applicant on 29 February 2000. On the same date a search warrant for the applicant's private and business premises was issued for the purpose of seizing documents. The proceedings in files 8 Vr 211/94 and 8 Vr 305/94 were joined and extended to include further suspects. In the following two months numerous requests for legal assistance were addressed to the German, Austrian and Swiss authorities.

10. In early 2000 proceedings for abuse of authority were opened against investigating judge L. He was accused of having remained inactive for years in several sets of proceedings, including the applicant's. On 20 March 2000 L. declared himself biased on account of the criminal proceedings pending against him. On 23 March the President of the Vaduz Regional Court accepted judge L.'s withdrawal from the applicant's case, which was taken over by investigating judge H. Judge L. resigned subsequently and the proceedings against him were discontinued.

11. On 11 May 2000 the applicant was arrested in Switzerland and extradited to Liechtenstein on the next day.

12. On 14 May 2000 the Vaduz Regional Court ordered his pre-trial detention *inter alia* on suspicion of aggravated fraud. Referring to the results of the investigations in all three sets of proceedings (8 Vr 17/91, 8 Vr 211/94 and 8 Vr 305/94), the Vaduz Regional Court found that the applicant was suspected of having organised a network of companies involved in large-scale investment fraud. Given that the applicant had been arrested in Switzerland and having regard to the severity of the sentence to be expected, the Regional Court found that there was a danger of the

applicant's absconding. Moreover, there was a danger that he might hide relevant documents or try to influence witnesses, in particular employees of his companies.

13. On 23 May 2000 the two sets of proceedings opened in 1994 were joined to the proceedings which had been opened in 1991.

14. On 23 June 2000 the applicant's counsel complained that the window of his prison cell remained closed at all times. Subsequently, the investigating judge instructed the prison personnel to ensure that the applicant's cell was properly aired.

15. At the close of the preliminary investigation, the file consisted of 21 volumes plus 29 folders and annexes and, in addition, 18 volumes relating to proceedings conducted before German courts against the applicant's accomplices. The total volume amounted to some 30,000 pages.

16. On 8 January 2001 the Public Prosecutor's Office filed the indictment. On 19 January 2001, the proceedings concerning facts not covered by the indictment, including those against the applicant which had been opened in 1991, were separated from the main proceedings.

17. Subsequently, a number of judges of the Vaduz Regional Court withdrew from the case due to the fact that they had participated in the preliminary investigation.

18. The Vaduz Regional Court held the trial on eighteen half-days between 29 May and 12 June 2001, in the presence of the applicant and his counsel. On the latter date the Regional Court convicted the applicant of two counts of aggravated fraud and sentenced him to five years' imprisonment. The first count concerned investment fraud committed to the detriment of Allgemeine Vermögensverwaltung Frankfurt and Ahorn Trust. The second count concerned investment fraud committed to the detriment of over 4,000 investors of Mercantus AG and Allied Banking Corporation.

19. In its judgment, running to 146 pages, the Regional Court dealt extensively with the assessment of the evidence before it, namely the statements of numerous witnesses and accomplices, expert opinions and voluminous documentary evidence, including the convictions of the applicant's accomplices by German courts. It dismissed the applicant's defence as not being credible noting that it was full of contradictions and gaps. It found that he had between 1989 and 1991, together with a number of accomplices, enticed thousands of potential investors to place their monies in his various companies, by pretending that they would receive high interest rates.

20. In fixing the sentence, the court regarded as a mitigating circumstance the long lapse of time since the commission of the offences and the excessive length of the proceedings which it considered to be in violation of Article 6 § 1 of the Convention.

21. The applicant appealed on 13 September 2001. On 28 September 2001 the Regional Court granted the applicant's request to extend the

statutory time-limit for filing an appeal. The applicant supplemented his appeal on 10 October 2001.

22. The decision relating to the extension of the time-limit was overturned by the Court of Appeal (*Obergericht*) but confirmed on 19 December 2001 by the Supreme Court (*Oberster Gerichtshof*) which found that the particular circumstances of the case justified derogating from the statutory time-limit laid down in the Code of Criminal Procedure in order to comply with the requirements of Article 6 § 3 (b) of the European Convention of Human Rights.

23. Between 3 May 2002 and 22 January 2003 the Court of Appeal held eleven days of appeal hearings at which it repeated the taking of evidence and heard a number of additional witnesses upon the applicant's request. It refused the applicant's request for a further expert opinion as the relevant facts had already been sufficiently clarified. It also refused to admit a number of questions the applicant wished to put to witness M., who was questioned by a German court under letters rogatory, finding that these questions did not concern any relevant facts.

24. At the close of the hearings, on 22 January 2003, the Court of Appeal dismissed the applicant's appeal. On the Public Prosecutor's appeal, the Court of Appeal raised the applicant's sentence to nine years' imprisonment. It found that there were a number of aggravating circumstances and that the duration of the proceedings was not to be considered in favour of the applicant, as his intention had been to create a most complicated network of domestic and foreign companies to obscure his activities and to make investigations as difficult as possible.

25. On 17 July 2003 the Supreme Court dismissed the applicant's appeal on points of law but granted it as regards the sentence.

26. The Supreme Court found that the appellate court had given detailed and convincing reasons for its findings, which were based on a whole range of evidence. The Supreme Court reduced the applicant's sentence to eight years. It found no reason to consider the duration of the proceedings a mitigating circumstance. In any case, it held that the proceedings were extremely complex, involving a large number of victims and necessitating extensive taking of evidence abroad. However, the Court of Appeal had wrongly considered a previous conviction, which was already extinct in the criminal record, as an aggravating circumstance.

27. The applicant lodged a constitutional complaint against the Supreme Court's judgment. He claimed in particular that the proceedings were unfair in that the courts had failed take evidence in his favour into account and had failed to give sufficient reasons for their assessment of evidence. He contended in general terms that the evidentiary proceedings were defective in that they violated the presumption of innocence. He also complained about the length of the proceedings and asserted that their excessive duration should have been taken into account when fixing his sentence.

28. On 2 March 2004 the Constitutional Court (*Staatsgerichtshof*) dismissed the applicant's complaint. It noted that it was not called upon to examine whether the courts had correctly established the facts and applied the law, but only to review whether they had violated constitutional rights. In the present case, the courts had given detailed and convincing reasons for their assessment of the evidence.

29. Regarding the length of the proceedings, the Constitutional Court found that the criminal proceedings at issue started only on 29 February 2000 when the arrest warrant against the applicant was issued. They ended on 1 August 2003 when the Supreme Court's judgment was served on him. Thus, they had lasted three years and five months. Given that the proceedings were complex and the facts particularly difficult to elucidate, the duration of the proceedings was not excessive.

30. The Constitutional Court's judgment was served on the applicant's counsel on 5 March 2004.

II. RELEVANT DOMESTIC LAW

31. Article 239 § 1 of the Code of Criminal Procedure (*Strafprozeßordnung*) reads as follows:

“In the investigative proceedings, everyone believing to have been aggrieved by a delay caused by the examining magistrate or by an order issued with respect to the investigation or in the course thereof shall have the right to obtain a decision of the Court of Appeal in this regard; ...”

THE LAW

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

A. Length of the Proceedings

32. The applicant raised complaints under Article 6 of the Convention, which, so far as material, reads as follows:

“1. In the determination of ... any criminal charge against him, everyone is entitled to a ... hearing within a reasonable time by [a] ... tribunal...”

...

3. Everyone charged with a criminal offence has the following minimum rights:

...

(b) to have adequate time and facilities for the preparation of his defence;

...

(d) to examine or have examined witnesses against him and to obtain the attendance and examination of witnesses on his behalf under the same conditions as witnesses against him.”

33. The applicant complained about the length of the proceedings. He appears to take December 1991 as a starting point.

34. The Government contested that argument. As regards the period to be taken into consideration, they argued that 4 May 1994 should be considered as the starting point of the proceedings, since the investigations prior to that date concerned facts which are different from those underlying the applicant’s conviction.

35. The Court reiterates that “reasonable time” referred to in Article 6 § 1 begins to run as soon as a person is “charged” with an offence; this may occur on a date prior to the case coming before the trial court, such as the date of arrest, the date when the person concerned was officially notified that he would be prosecuted or the date when preliminary investigations were opened (see, among other authorities, *Reinhardt and Slimane-Kaïd v. France*, judgment of 31 March 1998, *Reports of Judgments and Decisions* 1998-II, § 93).

36. The Court finds that the period to be taken into consideration began on 4 May 1994, when the preliminary investigations in respect of the facts, which led to the applicant’s conviction in the proceedings here at issue, were opened. As regards the end of the period, the proceedings before the Constitutional Court have to be taken into account since they were capable of influencing the outcome of the proceedings before the ordinary courts (see *Gast and Popp v. Germany*, no. 29357/95, § 64, ECHR 2000-II). The proceedings, therefore, ended on 5 March 2004, when the Constitutional Court’s judgment was served. They have, thus, lasted nine years and ten months.

1. Admissibility

37. The Government asserted that the applicant failed to exhaust domestic remedies. They refer in this respect to the remedy provided for in Article 239 of the Code of Criminal Procedure as regards delays caused by the investigating judge. They also seem to refer to the possibility of lodging a complaint with the superior authority under the Court Organisation Act. The applicant did not comment on this issue.

38. The Court reiterates that the purpose of Article 35 § 1 of the Convention, which sets out the rule on exhaustion of domestic remedies, is to afford the Contracting States the opportunity of preventing or putting

right the violations alleged against them before those allegations are submitted to the Court. The rule in Article 35 § 1 is based on the assumption, reflected in Article 13 (with which it has a close affinity), that there is an effective domestic remedy available in respect of the alleged breach of an individual's Convention right (see *Scordino v. Italy (no. 1)* [GC], no. 36813/97, § 141, ECHR 2006-...).

39. The Court reiterates in that connection that it has held that remedies available to a litigant at domestic level for raising a complaint about the length of proceedings are "effective", within the meaning of Article 13 of the Convention, if they "[prevent] the alleged violation or its continuation, or [provide] adequate redress for any violation that [has] already occurred". Article 13 therefore offers an alternative: a remedy is "effective" if it can be used either to expedite a decision by the courts dealing with the case or to provide the litigant with adequate redress for delays that have already occurred. In the Court's view, having regard to the "close affinity" between Article 13 and Article 35 § 1 (see paragraph 38 above), the same is necessarily true of the concept of effective remedy for the purposes of the latter provision (see *Mifsud v. France* [GC], no. 57220/00, § 17, ECHR 2002-VIII, with reference to *Kudła v. Poland* [GC] (dec.), no. 30210/96, §§ 158-59, 26 October 2000 and, as a recent authority, *Scordino (no. 1)*, cited above, §§ 183-88).

40. It is clear in the present case that the remedy referred to by the Government does not provide redress in the form of damages. It remains to be examined whether proceedings under Article 239 § 1 of the Code of Criminal Procedure are capable of accelerating the proceedings. The Court notes that in a number of cases it has found remedies to be effective which involved in one way or another the taking of specific measures in order to accelerate the proceedings, such as the imposition of time-limits for the completion of a specific procedural step or act (*Gonzalez Marin v. Spain* (dec.) no. 39521/98, ECHR 1999-VII; *Tomé Mota v. Portugal* (dec.) no. 32082/96, ECHR 1999-IX; *Holzinger v. Austria (no. 1)*, no. 23459/94, § 22, ECHR 2001-I; *Kunz v. Switzerland* (dec.) no. 623/02, 21 June 2005; *Bacchini v. Switzerland* (dec.), no. 62916/00, 21 June 2005). Nothing in the wording of Article 239 § 1 suggests that the Court of Appeal is empowered to order specific measures or to impose any time-limit on the investigating judge for the completion of specific acts. Nor have the Government cited any case-law to that effect.

41. In so far as the Government refer to the possibility of lodging a complaint with the superior authority, the Court reiterates that hierarchical complaints are not considered effective remedies since they do not normally give the individual a right to the exercise by the superior authority of its supervisory powers, and any proceedings which do subsequently take place do not involve the participation of the individual who made the hierarchical complaint (see, for instance, *Radaj v. Poland* (dec.), no. 29537/95

and 35453/97, 21 March 2002, and *Meischberger v. Austria* (dec.), no. 51941/99, 15 September 2003, both with further references).

42. In these circumstances the Court is not satisfied that the remedies in question were “effective” ones which the applicant was required to exhaust. Consequently, it rejects the Government’s objection of non-exhaustion.

43. 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.

2. Merits

44. The applicant maintained that the complexity of the proceedings could not justify their length. He contended that their duration was mainly due to the inactivity of the investigating judge which lasted for years. Finally, he contended that his conduct did not cause any delays.

45. The Government asserted that the proceedings were extraordinarily complex, relating to an international network of firms, involving a number of suspects, necessitating numerous legal aid requests to the German, Swiss and Austrian authorities, the hearing of countless witnesses and the taking of expert opinions. The exceptional complexity of the case was demonstrated by the fact that the courts allowed an extension of the statutory time-limit for filing an appeal against the conviction.

46. The Government admitted that there was a certain slowness on the part of the investigating judge at the beginning of the investigations until the spring of 1997. However, it was justified by the decision to wait for the outcome of investigations conducted by the German authorities concerning the applicant and his accomplices. Following the applicant’s arrest on 11 May 2000 the proceedings were conducted with exemplary speed. Furthermore, the applicant contributed to the duration of the proceedings by concealing his change of name and by making extensive use of available remedies.

47. 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 applicant and the relevant authorities (see, among many other authorities, *Pélissier and Sassi v. France* [GC], no. 25444/94, § 67, ECHR 1999-II).

48. The Court observes that the present case was complex, concerning as it did a case of large scale investment fraud. The complexity of the proceedings is demonstrated in particular by the number of suspects and victims, the need to have recourse to numerous judicial assistance requests, the volume of the file and, not least by the courts’ decision to grant the applicant an extension from the statutory time-limit for submitting his appeal against the Regional Court’s judgment. With regard to the conduct of

the authorities, the Court observes that the case was marked by very protracted preliminary investigations. They lasted from May 1994 until January 2001 when the indictment was filed, that is for more than six and a half years. This duration is not explained in a satisfactory manner by the need to wait for the results of investigations conducted by the German authorities, since after their receipt in January 1997 the preliminary investigations still continued for four years. On the basis of the file it appears that no major procedural steps were taken until February 2000 when an arrest warrant was issued against the applicant and legal aid requests were addressed to the German, Swiss and Austrian authorities. Even the Government admit to a “certain slowness” of investigating judge L. who was eventually replaced in March 2000. Turning to the conduct of the applicant, the Court notes that there is nothing to show that the applicant’s change of name caused any particular delay and the fact that he made use of available remedies, some of which were moreover successful, cannot be held against him.

49. The Court is aware of the difficulties States may encounter in conducting criminal proceedings relating to complex cases of white-collar crime with reasonable diligence (see, for instance, *Rösslhuber v. Austria*, no. 32869/96, § 30, 28 November 2000). It also acknowledges that the proceedings were conducted speedily at the trial and appeal stages. However, having regard to the delays which occurred during the preliminary investigation, the Court finds that the overall duration of the proceedings of nine years and ten months was excessive and failed to meet the “reasonable time” requirement.

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

B. Fairness of the Proceedings

51. The applicant complained under Article 6 §§ 1 and 3 (b) that he was hampered in the preparation of his defence. He alleges that all his lawyer’s visits were supervised during the first three months of his pre-trial detention; moreover, he contends that the voluminous file was in a state of disorder.

52. The Court notes that the applicant did not raise this complaint before the domestic authorities and, in particular, before the Constitutional Court.

53. It follows that this complaint must be rejected under Article 35 §§ 1 and 4 of the Convention for non-exhaustion of domestic remedies.

54. Furthermore, the applicant complained under Article 6 §§ 1 and 3 (d) that the courts refused to take evidence proposed by him. In particular he mentioned the courts’ refusal to admit some of the questions which he wished to put to witness M., who was heard by a German court under letters rogatory, and their refusal to take a further expert opinion.

55. The Court reiterates that the admissibility of evidence is primarily a matter for regulation by national law and as a general rule it is for the national courts to assess the evidence before them. The Court's task under the Convention is not to give a ruling as to whether statements of witnesses were properly admitted as evidence, but rather to ascertain whether the proceedings as a whole, including the way in which evidence was taken, were fair (see, among many other authorities, *Lucà v. Italy*, no. 33354/96, § 38, ECHR 2001-II). In the present case, the Regional Court carried out extensive hearings of witnesses and experts. The Court of Appeal repeated the evidentiary proceedings and heard a number of additional witnesses at the applicant's request, while giving sufficient reasons for its refusal to take a further expert opinion or to admit certain questions to witness M. Consequently, there is no indication that the applicant could not duly forward his defence or that the proceedings taken as a whole were unfair.

56. It follows that this complaint is manifestly ill-founded and must be rejected in accordance with Article 35 §§ 3 and 4 of the Convention.

II. ALLEGED VIOLATION OF ARTICLE 3 OF THE CONVENTION

57. The applicant complained that he was subjected to inhuman or degrading treatment contrary to Article 3 of the Convention which reads as follows:

“No one shall be subjected to torture or to inhuman or degrading treatment or punishment.”

58. The applicant complained, firstly, that that he could not open the window of his prison cell during the first one and a half months of his pre-trial detention that is from mid May until the end of June 2000.

59. The Court notes that, upon the applicant's complaint, the investigating judge instructed the prison personnel to ensure that the applicant's cell was properly aired. Moreover, the applicant does not contest the Government's submission that the cell was equipped with a ventilation system and that he had daily walks in the fresh air. In these circumstances the Court finds that the prison conditions complained of did not reach the threshold of severity required for treatment to fall within the scope of Article 3 (see, among many other authorities, *Peers v. Greece*, no. 28524/95, § 67, ECHR 2001-III).

60. It follows that this complaint is manifestly ill-founded and must be rejected in accordance with Article 35 §§ 3 and 4 of the Convention.

61. Secondly, the applicant complained that the police prepared an organisation chart of the companies involved in the alleged fraudulent transaction which represented him in prison clothes. In this connection he relied on Article 3 and also on Article 6 § 2 of the Convention.

62. The Court notes that the applicant did not raise this complaint before the domestic authorities, in particular before the Constitutional Court.

63. It follows that this complaint must be rejected under Article 35 §§ 1 and 4 of the Convention for non-exhaustion of domestic remedies.

III. ALLEGED VIOLATIONS OF ARTICLE 5 §§ 1 AND 3 OF THE CONVENTION

64. The applicant complains under Article 5 §§ 1 and 3 of the Convention that the courts did not give sufficient reasons to justify his detention and that the duration of his pre-trial detention was excessive.

65. The Court observes that there is nothing in the file to show that the applicant raised these complaints before the domestic authorities.

66. It follows that this complaint must be rejected under Article 35 §§ 1 and 4 of the Convention for non-exhaustion of domestic remedies.

IV. APPLICATION OF ARTICLE 41 OF THE CONVENTION

67. 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

68. The applicant did not claim any damages. Consequently, the Court makes no award under this head.

B. Costs and expenses

69. The applicant claimed 6,778.80 Swiss francs (CHF), inclusive of value-added tax (VAT), that is 4,326.77 euros (EUR) for the costs and expenses incurred before the Court.

70. The Government argued that the applicant's claim was excessive. Having regard to the tariff which applied to comparable proceedings, namely proceedings before the Constitutional Court, they found that the applicant would be entitled to a maximum amount of CHF 3,233.70, inclusive of VAT, that is EUR 2,080.03.

71. 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 are reasonable as to quantum. In the present case, regard being had to the above criteria and to

the fact that only one of the applicant's complaints was declared admissible, the Court considers it reasonable to award the sum of EUR 2,500, inclusive of VAT, for the proceedings before the Court.

C. Default interest

72. 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 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*
 - (a) that the respondent State is to pay the applicant, within three months from the date on which the judgment becomes final in accordance with Article 44 § 2 of the Convention, EUR 2,500 (two thousand five hundred euros) in respect of costs and expenses, to be converted into the national currency of the respondent State at the rate applicable at the date of settlement;
 - (b) that from the expiry of the above-mentioned three months until settlement simple interest shall be payable on the above amount 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 applicant's claim for just satisfaction.

Done in English, and notified in writing on 27 July 2006, pursuant to Rule 77 §§ 2 and 3 of the Rules of Court.

Roderick LIDDELL
Registrar

Boštjan M. ZUPANČIČ
President