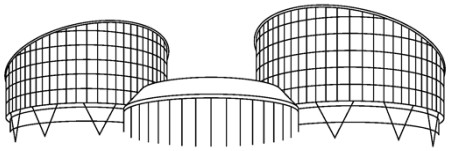

EUROPEAN COURT OF HUMAN RIGHTS
COUR EUROPÉENNE DES DROITS DE L'HOMME

FIRST SECTION

CASE OF VALLESINELLA S.A.S. v. ITALY

(Application no. 35333/10)

JUDGMENT

STRASBOURG

23 October 2025

This judgment is final but it may be subject to editorial revision.

In the case of Vallesinella S.a.s. v. Italy,

The European Court of Human Rights (First Section), sitting as a Committee composed of:

Frédéric Krenc*, President*,
Raffaele Sabato,
Alain Chablais*, judges*,

and Liv Tigerstedt, *Deputy Section Registrar,*

Having regard to:

the application (no. 35333/10) against the Italian Republic lodged with the Court under Article 34 of the Convention for the Protection of Human Rights and Fundamental Freedoms ("the Convention") on 21 June 2010 by a company registered in Italy, Vallesinella S.a.s. ("the applicant company"), which was represented by Ms A. Mari, a lawyer practising in Rome;

the decision to give notice of the complaints concerning the interference with the applicant company's property rights and the breach of the adversarial principle to the Italian Government ("the Government"), represented by their Agent, Mr L. D'Ascia and to declare the remainder of the application inadmissible;

the parties' observations;

Having deliberated in private on 2 October 2025,

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

SUBJECT MATTER OF THE CASE

1. The case concerns the deprivation of the applicant company's land through two different expropriation proceedings and, ultimately, pursuant to Article 43 of Presidential Decree no. 327 of 8 June 2001 ("the Consolidated Law on Expropriation").

2. The applicant company was the owner of a plot of land on which the Castle of Palma di Montechiaro was located. The land had been purchased by the applicant company in 1972 at a price of 14,000,000 Italian lire (ITL) (7,230 euros (EUR)). At the time of the purchase the property was considered as a "land used for agriculture (*fondo rustico*) with the ruins of a castle".

3. As of 1992 the Municipality called the applicant company's attention to the condition of abandonment of the ancient castle and the risk of its imminent ruin. Warnings were subsequently issued by the mayor of the Municipality and the Inspectorate for Cultural and Environmental Heritage (*soprintendenza)* to the applicant company to the effect that it had to perform restoration works for the castle's protection and conservation, as it was considered of interest due to its historical value, and also in the interest of public safety, as there was an imminent risk of collapse.

4. In 1996 the Municipality's technical expert valued the property at ITL 175,000,000 (EUR 90,380) and offered to purchase the property from the applicant company. No agreement was reached.

5. In November 2001, as no action by the applicant company was forthcoming, the Municipality took physical possession of the property and carried out, in accordance with Article 3 of Presidential decree no. 368/1994, the castle's restoration works in the owner's stead.

6. In the meantime, in October 2001, the Municipality ordered the occupation of the land and, on 9 May 2002, the expropriation was ordered.

7. The applicant company appealed against both the expropriation order and the decision to carry out restoration works, first before the Sicily Regional Administrative Court (*Tribunale Amministrativo Regionale*, "TAR") and then before the Council of Administrative Justice for the Sicilian Region (CGARS), arguing that the restoration work carried out by the Municipality in its stead, as well as the expropriation proceedings, had been unlawful.

8. By judgment of 27 December 2006 (judgment no. 788/2006) the CGARS held that the restoration works were lawful. As to the expropriation proceedings, it found that they had not been carried out in compliance with the requirements of the law. It thus ordered that the Municipality return the property to the applicant company, making, however, such a return conditional upon the reimbursement by the applicant company of all costs borne by the Municipality for the restoration of the property, which had been legitimately carried out when the owner had remained inactive.

9. The applicant company appealed before the Court of Cassation, arguing that the CGARS did not have jurisdiction to order the payment of the costs of the restoration. By a judgment of 29 July 2008 (judgment no. 20553/2008) the Court of Cassation declared the appeal inadmissible.

10. In the meantime, the applicant company initiated enforcement proceedings before the CGARS, requesting that measures necessary for the concrete enforcement of its previous judgment be taken, considering that the land and the castle had not yet been returned to it by the Municipality. The appeal was declared inadmissible by judgment no. 1006/2007 on 24 October 2007, due to the fact that the restitution of the property was inextricably linked to the simultaneous payment of the sums spent by the Municipality for its restoration, and those sums had not been paid by the applicant company.

11. While the aforementioned proceedings before the Court of Cassation (see paragraph 9 above) and the CGARS (see paragraph 10 above) were pending, on 10 March 2007, the Municipality, which had not returned the land and the castle, formally acquired the property by an order issued under Article 43 of the Consolidated Law on Expropriation. The order also awarded the applicant compensation in the amount of EUR 191,093.74, a sum based on the property's market value as determined in the valuation carried out by the Municipality in 1996 (see paragraph 4 above), and adjusted for inflation and increased by statutory and default interest running from the date of its occupation by the Municipality in November 2001, and with a further increase of 15% because of its historical, artistic and environmental value.

12. The applicant company appealed against the order. The appeal was dismissed by the TAR and subsequently by the CGARS in a judgment issued on 21 April 2010. Both courts held that the transfer of the property to the Municipality had been lawful as it had been carried out by what was referred to as the "regularisation" procedure under Article 43 of the Consolidated Law on Expropriation. As to the adequacy of the compensation, the CGARS found that it correctly reflected the property's market value as it was consistent with the property's real conditions before the restoration works had been carried out by the Municipality, as well as with the amount that had been paid by the applicant company at the time of the purchase. In support of its conclusions on the property's value, the court drew on several elements. First, it called attention to the condition of degradation in which the castle was before what the courts described as onerous restoration works carried out by the Municipality, which could be attributable to the neglect of the applicant company. It then noted the fact that at the time of the purchase by the applicant company, in 1973, the castle's condition had led to a global devaluation of the property, which was considered as "land used for agriculture (*fondo rustico*) with the ruins of a castle" and purchased as such, and the entire property had been purchased by the applicant company for ITL 14,000,000 (see paragraph 2 above). Moreover, the court found that, on the evidence before it, between the date of the purchase and the Municipality's intervention in its stead in 2001, the applicant company had not carried out any works that could constitute the basis for an increase in value. Lastly, a different estimate would have allowed the applicant company to benefit from the different value attributable to the property due to the restoration works carried out at the expense of the Municipality.

13. By judgment of 8 October 2010 the Constitutional Court declared Article 43 of the Consolidated Law on Expropriation unconstitutional.

14. The applicant company complained, under Article 1 of Protocol No. 1 to the Convention, that it had been unlawfully deprived of its property in the absence of a legal basis and without a fair balance having been struck between the requirements of the public interest and its rights.

15. The applicant company also complained under Article 6 of the Convention that the decisions of the CGARS of 27 December 2006 and 24 October 2007 had been taken in breach of the adversarial principle.

THE COURT'S ASSESSMENT

I. ALLEGED VIOLATION OF ARTICLE 1 OF PROTOCOL No. 1 CONCERNING THE EXPROPRIATION

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

17. The relevant domestic law and practice can be found in *Guiso-Gallisay v. Italy* ((just satisfaction) [GC], no. 58858/00, §§ 18-44, 22 December 2009).

18. The relevant general principles relating to Article 1 of Protocol No. 1 and the deprivation of property has been set out in *Vistiņš and Perepjolkins v. Latvia* ([GC], no. 71243/01, §§ 93 and 95-99, 25 October 2012).

19. In the present case, it is not in dispute that there has been a "deprivation of possessions" within the meaning of the second sentence of Article 1 of Protocol No. 1. The Court must therefore ascertain whether the impugned deprivation was justified under that provision. To be compatible with Article 1 of Protocol No. 1 an expropriation measure must first of all have been carried out "subject to the conditions provided for by law", which excludes any arbitrary action on the part of the national authorities. The Court will therefore first examine whether the interference with the applicant company's property was lawful.

20. The Court notes at the outset that the Municipality took physical possession of the applicant company's property in 2001 in order to carry out essential restoration works (see paragraph 5 above). However, the physical possession of the property remained with the Municipality after the restoration works were terminated since the domestic courts – having found the expropriation order of 2002 unlawful – had conditioned the return of the property to the applicant company upon the latter reimbursing the Municipality for the costs of the renovation (see paragraph 8 above) and the applicant company had failed to do so. That being said, the formal transfer of ownership of the property – from the applicant company to the Municipality in return for monetary compensation – took place in March 2007 by means of Article 43 of the Consolidated Law on Expropriation, a provision that introduced what the domestic courts referred to as a "regularisation" procedure (see paragraphs 11 and 12 above). However, that provision was declared unconstitutional by the Italian Constitutional Court in October 2010, thereby rejecting the legality of the procedure set out in Article 43 of the Consolidated Law on Expropriation (contrast *Sorasio and Others v. Italy* (dec.), no. 56888/16 and 3 others, § 43, 14 November 2023).

21. In the light of the above circumstances, the Court is not persuaded that the applicant company was deprived of its property through an expropriation procedure carried out "in good and due form", within the meaning of Article 1 of Protocol No. 1. Accordingly, the Court finds that there has been a violation of Article 1 of Protocol No. 1 to the Convention.

II. OTHER COMPLAINT

22. The applicant company also raised another complaint under Article 6 of the Convention (see paragraph 15 above). The Court has examined that part of the application and considers that, in the light of all the material in its

possession and in so far as the matter complained of is within its competence, this complaint either does not meet the admissibility criteria set out in Articles 34 and 35 of the Convention or does not disclose any appearance of a violation of the rights and freedoms enshrined in the Convention or the Protocols thereto. It follows that this part of the application must be rejected in accordance with Article 35 § 4 of the Convention.

APPLICATION OF ARTICLE 41 OF THE CONVENTION

23. The applicant company submitted a claim seeking the restitution of the property or, in the alternative, an award for pecuniary damage in an amount ranging between EUR 5,925,748.56 and EUR 1,602,749.87. In respect of non-pecuniary damage, it claimed a sum equal to 10% of the pecuniary damage awarded.

24. The Government contested these amounts.

25. The Court considers at the outset that, in view of its case-law, compensation based on an amount corresponding to the market value of the land can be considered an appropriate means of redressing the consequences of the harm suffered for the loss of property by the applicant company in the present case (see, *mutatis mutandis*, *Guiso-Gallisay*, § 96, and *Sorasio and Others*, § 46,both cited above). The Court notes that the applicant was granted compensation amounting to EUR 191,093.74, which was based on the land's market value as established in a valuation performed by the Municipality's technical expert in 1996, before the restoration works were carried out by the Municipality (see paragraph 4 above). The applicant company had the opportunity to challenge the adequacy of that amount before the domestic courts and the latter, after having considered all the circumstances of the case, provided specific reasoning – which does not appear to be manifestly arbitrary – as to why the sum thus established was considered reflecting the property's market value (see paragraph 12 above). In the specific circumstances of the present case, and also having regard to the margin of appreciation afforded to national authorities in such matters, the Court is prepared to accept that the award was reasonably related to the property's market value. The Court further observes that the award was increased by 15% so as to reflect the property's historical, artistic and environmental value (see paragraph 11 above). Lastly, the Court notes that the amount awarded was adjusted for inflation and increased by statutory and default interest running from the date of occupation by the Municipality (see paragraph 6 above). In view of the foregoing, the Court considers that the sum awarded by the domestic courts, and paid by the Municipality to the applicant company, for the loss of property may be considered adequate (see *Sorasio*, cited above, §§ 40 and 46).

26. In light of the above considerations, the Court makes no award in respect of pecuniary damage deriving from the loss of property.

27. As regards non-pecuniary damage, the Court finds it appropriate to award EUR 15,000 to the applicant company.

28. The applicant company further claimed EUR 20,000 for the costs and expenses incurred at the domestic level and EUR 25,000 for the costs and expenses incurred before the Court. Regard being had to the documents submitted to substantiate the costs incurred, the Court considers it reasonable to award the applicant company EUR 26,200 covering costs under all heads, plus any tax that may be chargeable to it.

FOR THESE REASONS, THE COURT, UNANIMOUSLY,

1. *Declares* the complaints concerning Article 1 of Protocol No. 1 to the Convention admissible and the remainder of the application inadmissible;

2. *Holds* that there has been a violation of Article 1 of Protocol No. 1 to the Convention;

3. *Holds*
   (a) that the respondent State is to pay the applicant company, within three months, the following amounts:
      (i) EUR 15,000 (fifteen thousand euros), plus any tax that may be chargeable, in respect of non-pecuniary damage;
      (ii) EUR 26,200 (twenty-six thousand two hundred euros), plus any tax that may be chargeable to the applicant company, in respect of costs and expenses;
   (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 company's claim for just satisfaction.

Done in English, and notified in writing on 23 October 2025, pursuant to Rule 77 §§ 2 and 3 of the Rules of Court.

Liv Tigerstedt Deputy Registrar	Frédéric Krenc President