

December 22, 2017

VIA E-MAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *Johnson & Johnson*
Shareholder Proposal of the National Center for Public Policy Research
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that our client, Johnson & Johnson (the “Company”), intends to omit from its proxy statement and form of proxy for its 2018 Annual Meeting of Shareholders (collectively, the “2018 Proxy Materials”) a shareholder proposal (the “Proposal”), including statements in support thereof (the “Supporting Statement”), received from the National Center for Public Policy Research (the “Proponent”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2018 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

Office of Chief Counsel
Division of Corporation Finance
December 22, 2017
Page 2

THE PROPOSAL

The Proposal states, in part:

Whereas, Johnson & Johnson has previously appeared to accede to activists' demands concerning its outside associations. Furthermore, the Company has worked with the Human Rights Campaign – an activist group that targets policy rivals with dishonest disassociation campaigns. These campaigns are filled with misleading information designed to remove corporate support for organizations with which the Human Rights Campaign disagrees on public policy issues. The Human Rights Campaign is also working to direct corporate free speech and freedom of association rights.

Whereas, the proponent believes the Company alone should dictate its outside associations and philanthropic activities free of undue influence from extremist groups.

Whereas, religious freedom is also a human right.

The Human Rights Campaign works to reduce religious freedom in the United States.

Resolved: The proponent requests Johnson & Johnson prepare a report by December 2018, omitting proprietary information and prepared at reasonable cost, detailing the known and potential risks and costs to the Company caused by pressure campaigns from outside organizations that seek to dictate the Company's free speech and freedom of association rights.

The rest of the Proposal repeatedly points to and criticizes the Human Rights Campaign ("HRC"), a non-profit organization, and states that the Company's work with HRC has resulted in "campaigns . . . filled with misleading information designed to remove corporate support for organizations with which the Human Rights Campaign disagrees on public policy issues." A copy of the Proposal and related correspondence with the Proponent is attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal relates to the Company's ordinary business operations.

Office of Chief Counsel
Division of Corporation Finance
December 22, 2017
Page 3

ANALYSIS

The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Addresses Matters Related To The Company's Ordinary Business Operations.

As discussed below, the Proposal may be omitted under Rule 14a-8(i)(7) as it relates to the Company's ordinary business operations because it relates to the Company's decision to "work[] with" a specific organization, it more generally improperly interferes with the Company's management of its public relations, marketing and advertising activities, and it does not focus upon a significant policy issue.

A. Background

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to its "ordinary business operations." According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept [of] providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission explained that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting."

Moreover, framing a shareholder proposal in the form of a request for a report, including requesting a report of certain risks, does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the report is within the ordinary business of the issuer. *See* Exchange Act Release No. 20091 (Aug. 16, 1983). *See also Johnson Controls, Inc.* (avail. Oct. 26, 1999) ("[Where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under [R]ule 14a-8(i)(7)."). A proposal's request for a review of certain risks also does not preclude exclusion if the underlying subject matter of the proposal is ordinary business. The Staff indicated in Legal Bulletin No. 14E (Oct. 27, 2009) ("SLB 14E"), that in evaluating shareholder proposals that request a risk assessment the Staff:

[R]ather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, we will instead focus on the subject matter to which the risk pertains or that gives rise to the risk
[S]imilar to the way in which we analyze proposals asking for the preparation of a report, the formation of a committee or the inclusion of disclosure in a Commission-prescribed document—where we look to the underlying subject

Office of Chief Counsel
Division of Corporation Finance
December 22, 2017
Page 4

matter of the report, committee or disclosure to determine whether the proposal relates to ordinary business—we will consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the company.

B. The Proposal Targets the Company's Decisions To Associate With A Specific Organization

The Proposal requests that the Company “prepare a report by December 2018 . . . detailing the known and potential risks and costs to the Company caused by pressure campaigns from outside organizations that seek to dictate the Company’s free speech and freedom of association rights.” The Proposal when read as a whole makes clear that it is intended to target, and hold a shareholder referendum on, the Company’s “work[] with” HRC.

The Staff has consistently concurred that proposals requesting that a company refrain from associating with specific organizations relate to a company’s ordinary business operations and may be excluded pursuant to Rule 14a-8(i)(7). *See, e.g., PG&E Corp.* (avail. Feb. 4, 2015) (concurring that a proposal recommending the formation of a committee to determine the effect of “anti-traditional family political and charitable contributions” was excludable under Rule 14a-8(i)(7) because it related to “contributions to specific types of organizations”); *The Walt Disney Co.* (avail. Nov. 20, 2014) (concurring that a proposal seeking to preserve the Boy Scouts of America as an eligible charitable organization for the company’s matching contributions program was excludable under Rule 14a-8(i)(7) because it related to “charitable contributions to a specific organization”); *Bristol-Myers Squibb Company* (avail. Jan. 29, 2013, *recon. denied* Mar. 12, 2013) (allowing for exclusion on a lobbying proposal related to a specific law and disclosures regarding the company’s memberships in a professional associations) *PepsiCo, Inc.* (avail. Mar. 3, 2011) (concurring that a proposal focused on the company’s membership in an organization that advocated for cap and trade legislation was excludable under Rule 14a-8(i)(7)); *BellSouth Corp.* (avail. Jan. 17, 2006) (concurring that a proposal requesting that the board make no direct or indirect contribution from the company to any legal fund used in defending any politician was excludable under Rule 14a-8(i)(7) because it related to “contributions to specific types of organizations”); *see also Citicorp* (avail. Jan. 25, 1993) (concurring with the exclusion of a proposal requesting that the company disclose expenditures related to its membership in a specific trade association because the proposal related to the allocation of corporate funds).

In contrast, the Staff has determined that proposals that do not single out any particular organization are not excludable under Rule 14a-8(i)(7). *See, e.g., Wells Fargo & Co.* (avail. Feb. 19, 2010) (denying exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company list all recipients of corporate charitable contributions where the supporting statement addressed a range of charitable groups, including Habitat for Humanity, Planned Parenthood, and the Human Rights Campaign); *Ford Motor Co.* (avail. Feb. 25, 2008) (same); *Microsoft Corp.* (avail. Aug. 11, 2003) (denying exclusion under Rule 14a-8(i)(7) of a proposal recommending that

Office of Chief Counsel
Division of Corporation Finance
December 22, 2017
Page 5

the company refrain from making any charitable contributions). Unlike these proposals, however, the Proposal, when considered in the context of the recitals and the Supporting Statement, does not address the Company's associations with organizations generally but improperly focuses on the Company's association with a specific organization, HRC.

Moreover, the Staff has consistently permitted the exclusion of even facially neutral proposals under Rule 14a-8(i)(7) as relating to ordinary business if the supporting statements surrounding the proposed resolution indicate that the proposal, in fact, would serve as a request for a company to disassociate with particular organizations. For example, in *The Home Depot, Inc.* (avail. Mar. 18, 2011), a facially neutral proposal requested that the company "list the recipients of corporate charitable contributions . . . on the company website." Notwithstanding the facially neutral language of the proposed resolution, the Staff concurred that, because a majority of the supporting statement referred to gay, lesbian, bisexual, and transgender issues, the measure was directed at charitable contributions to a specific type of organization and, therefore, related to the company's "ordinary business operations." The *Home Depot* proposal, like the Proposal at issue here, was an attempt to veil a proposal aimed at the company's association with specific types of organizations with a facially neutral resolution. Finding the *Home Depot* proposal to be related to "charitable contributions to specific types of organizations," the Staff concurred that it could be omitted from the company's proxy materials pursuant to Rule 14a-8(i)(7). See also *Johnson & Johnson* (avail. Feb. 12, 2007) (concurring with the exclusion under Rule 14a-8(i)(7) of a facially neutral proposal requesting that the company disclose all recipients of corporate charitable contributions where the proposal's preamble and supporting statement made clear that the proposed policy was intended to specifically target the company's support of Planned Parenthood and organizations that support abortions and same-sex marriage).

While the Proposal's Resolved clause does not mention a specific organization, it impermissibly targets the Company's affiliations with "outside organizations" that lead "pressure campaigns." In addition, the recitals and the Supporting Statement make clear that the Proposal is directed at a specific organization (HRC) that the Company has "worked with." In this regard, the Proposal makes repeated references to HRC and negatively describes its purported positions on certain potentially contentious issues. For example:

- "[T]he Company has worked with the Human Rights Campaign – an activist group that targets policy rivals with dishonest disassociation campaigns."
- "These campaigns are filled with misleading information designed to remove corporate support for organizations with which the Human Rights Campaign disagrees on public policy issues."
- "The Human Rights Campaign is also working to direct corporate free speech and freedom of association rights."

Office of Chief Counsel
Division of Corporation Finance
December 22, 2017
Page 6

- “The Human Rights Campaign works to reduce religious freedom in the United States.”
- “[T]he Human Rights Campaign is now similarly targeting numerous organizations by attacking their corporate supporters.”

At its core, the Proposal is an attempt to hold a shareholder referendum on specific Company choices regarding an entity with which it associates. In this regard, the Proposal is like the shareholder proposals excluded under Rule 14a-8(i)(7) in *The Home Depot, Inc.* and *Johnson & Johnson* where the Staff concurred that the proposals impermissibly concerned a company’s association with specific organizations. Thus, because the Proposal is directed at specific organizations, the Proposal relates to the Company’s ordinary business operations and is properly excludable under Rule 14a-8(i)(7).

C. *The Proposal Relates To The Manner In Which The Company Conducts Its Public Relations Activities*

The Proposal also may be excluded pursuant to Rule 14a-8(i)(7) because, by seeking a report addressing risks and costs arising from “pressure campaigns from outside organizations that seek to dictate the Company’s free speech and freedom of association rights,” the Proposal implicates the manner in which the Company conducts its public relations activities, which are ordinary business matters.

The Staff has recognized that a company’s public relations efforts, which are a form of speech, are part of a company’s ordinary business operations under Rule 14a-8(i)(7). For example, in *Johnson & Johnson* (avail. Jan. 12, 2004), the Staff concurred with the exclusion under Rule 14a-8(i)(7) of a shareholder proposal asking that the Company review its pricing and marketing policies and issue a report disclosing how the Company intended “to respond to . . . public pressure to reduce prescription drug pricing.” In its response, the Staff noted that it allowed exclusion because the proposal “relat[es] to [the company’s] ordinary business operations (i.e., marketing and public relations).” In addition, in *E.I. du Pont de Nemours and Co.* (avail. Feb. 23, 1993), the Staff concurred with the exclusion under the predecessor to Rule 14a-8(i)(7) of a proposal requesting that the company take an active role against the environmental movement because the proposal related to the company’s “advertising and public relations policy.” See also *FedEx Corp.* (avail. July 14, 2009) (permitting exclusion of a proposal requesting a report “addressing issues related to American Indian peoples, including [the company’s] efforts to identify and disassociate from any names, symbols and imagery which disparage American Indian peoples in products, advertising, endorsements, sponsorships and proportions” because the proposal related to the company’s ordinary business operations); *The Walt Disney Co.* (avail. Nov. 30, 2007) (permitting the exclusion of a proposal requesting a report regarding what actions the company is taking “to avoid the use of negative and discriminatory racial, ethnic and gender stereotypes in its products” because the proposal related to the company’s ordinary business

Office of Chief Counsel
Division of Corporation Finance
December 22, 2017
Page 7

operations); *Tootsie Roll Indus. Inc.* (avail. Jan. 31, 2002) (concurring with exclusion under Rule 14a-8(i)(7) asking the company to identify and disassociate from any offensive imagery to the American Indian community in product marketing and advertising because the proposal related to “the manner in which a company advertises its products”); *Apple Computer, Inc.* (avail. Oct. 20, 1989) (concurring with exclusion under the predecessor to Rule 14a-8(i)(7) of a proposal requesting that the company create a committee to regulate public use of the company’s logo, stating the matter appeared directed toward “operational decisions with respect to advertising, public relations and related matters”).

The Company and its subsidiaries are engaged in the research and development, manufacture and sale of a broad range of products in the health care field. The Company (including its operating companies) operates in virtually all countries of the world. As part of its day-to-day operations, the Company communicates globally with customers, stakeholders and the public at large about, among other things, its products, operations and corporate values. The Company also forms alliances with various individuals and organizations to further its mission and operations. Just as in *E.I. du Pont de Nemours and Co.*, the choices the Company makes as part of these public relations activities, as well as in responding to any “pressure campaigns,” involve the Company’s day-to-day business operations and should not be the subject of shareholder oversight. Thus, the Proposal may be excluded pursuant to Rule 14a-8(i)(7) because it implicates the manner in which the Company conducts its public relations, including marketing activities.

Finally, as discussed above, the Proposal’s request for a report “detailing the known and potential risks and costs” of the pressure campaign does not change this analysis. Per the Staff’s guidance in SLB 14E, in evaluating a proposal that requests a risk assessment “rather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, [the Staff] will focus on the subject matter to which the risk pertains or that gives rise to the risk.” One of the “subject matter[s] to which the risk pertains” in this case is the Company’s speech and freedom of association, which includes the Company’s public relations and marketing activities. As *Johnson & Johnson*, *E.I. du Pont de Nemours and Co.*, and the other precedents cited above show, the manner in which a company conducts its public relations is a matter of ordinary business. Accordingly, consistent with Staff precedent, the Proposal is excludable under Rule 14a-8(i)(7) as relating to the Company’s ordinary business operations.

D. The Proposal Is Excludable Because It Relates To The Company’s Ordinary Business Operations And Does Not Focus On Significant Policy Issues

While the Proposal references “human rights” in several places, the express words of the Proposal make clear that the focus of the Proposal is on how the Company exercises its freedom of association and free speech rights to decide which organizations to associate with or not associate with. In line with the 1998 Release, the Staff has routinely allowed companies to exclude proposals that relate to ordinary business decisions even where the proposal referenced a

Office of Chief Counsel
Division of Corporation Finance
December 22, 2017
Page 8

significant policy issue. In *Papa John's International, Inc.* (avail. Feb. 13, 2015), the Staff permitted exclusion where a proposal requested the company to include more vegan offerings in its restaurants, despite the proponent's assertion that the proposal would promote animal welfare—a significant policy issue. In allowing for exclusion, the Staff noted that, fundamentally, the proposal related to “the products offered for sale by the company” and was therefore a matter of ordinary business. See also *Dominion Resources, Inc.* (avail. Feb. 19, 2014) (allowing for exclusion of a proposal relating to use of alternative energy because, while touching on a significant policy issue, it related to the company's choice of technologies for use in its operations); *PetSmart, Inc.* (avail. Apr. 14, 2006) (allowing for exclusion of a proposal requesting a report on terminating the company's sale of pet birds); *Albertson's, Inc.* (avail. Mar. 18, 1999) (allowing exclusion of a proposal requesting the company to end the sale, advertisement, or promotion of tobacco products).

The Proposal references “human rights” several times, but the text of the Proposal makes clear that it is focused on ordinary business matters. The Proposal requests that the Company “prepare a report by December 2018 . . . detailing the known and potential risks and costs to the Company caused by pressure campaigns from outside organizations that seek to *dictate the Company's free speech and freedom of association rights*” (emphasis added). As discussed above, the Supporting Statement makes clear that the Proposal is an attempt to hold a shareholder referendum on a specific organization (HRC) that the Company “worked with.” Moreover, the Proposal requests shareholder oversight of the Company's public relations, marketing and related activities. Thus, the Proposal's mere references to human rights do not “transcend the day-to-day business matters” that the Proposal implicates. See 1998 Release. Accordingly, the Proposal concerns the Company's ordinary business decisions and is excludable under Rule 14a-8(i)(7).

CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2018 Proxy Materials.

Office of Chief Counsel
Division of Corporation Finance
December 22, 2017
Page 9

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shareholderproposals@gibsondunn.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287 or Thomas J. Spellman III, the Company's Assistant General Counsel and Corporate Secretary, at (732) 524-3292.

Sincerely,



Elizabeth A. Ising

Enclosures

cc: Thomas J. Spellman, Johnson & Johnson
Justin Danhof, Esq., National Center for Public Policy Research

EXHIBIT A



RECEIVED

NOV 15 2017

Via FedEx

November 14, 2017

Thomas J. Spellman III
Corporate Secretary
Office of the Corporate Secretary
One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933

Dear Mr. Spellman,

I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in the Johnson & Johnson (the "Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations.

I submit the Proposal as General Counsel of the National Center for Public Policy Research, which has continuously owned Johnson & Johnson stock with a value exceeding \$2,000 for a year prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company's 2018 annual meeting of shareholders. A Proof of Ownership letter is forthcoming and will be delivered to the Company.

Copies of correspondence or a request for a "no-action" letter should be forwarded to Justin Danhof, Esq, General Counsel, National Center For Public Policy Research, 20 F Street, NW, Suite 700, Washington, DC 20001 and emailed to JDanhof@nationalcenter.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin Danhof", is written over a horizontal line.

Justin Danhof, Esq.

Enclosure: Shareholder Proposal

Human Rights Report

Whereas, the Securities and Exchange Commission has consistently recognized that human rights constitute a significant policy issue.

Corporations that lack fundamental human rights protections may face serious risks to their reputations and shareholder value.

Freedom of speech and freedom of association are fundamental human rights.

Whereas, Johnson & Johnson has previously appeared to accede to activists' demands concerning its outside associations. Furthermore, the Company has worked with the Human Rights Campaign – an activist group that targets policy rivals with dishonest disassociation campaigns. These campaigns are filled with misleading information designed to remove corporate support for organizations with which the Human Rights Campaign disagrees on public policy issues. The Human Rights Campaign is also working to direct corporate free speech and freedom of association rights.

Whereas, the proponent believes the Company alone should dictate its outside associations and philanthropic activities free of undue influence from extremist groups.

Whereas, religious freedom is also a human right.

The Human Rights Campaign works to reduce religious freedom in the United States.

Resolved: The proponent requests Johnson & Johnson prepare a report by December 2018, omitting proprietary information and prepared at reasonable cost, detailing the known and potential risks and costs to the Company caused by pressure campaigns from outside organizations that seek to dictate the Company's free speech and freedom of association rights.

Supporting Statement

Shareholders recommend the report evaluate risks and costs including, but not limited to, negative effects on the Company's reputation, economic competitiveness and shareholder value.

The proponent supports the Company's free speech rights and its right to freely associate. Rather than making those rights subject to outside direction, the Company should assert its dominion over those values.

The Company has, in the past, appeared to take direction from outside groups concerning its affiliations. For example, in 2012, the Company dropped its membership in the American Legislative Exchange Council (ALEC) under pressure from radical, racially-motivated groups.

The Company dropped its membership in ALEC a week after Color of Change announced an advertisement purchase targeting Johnson & Johnson's relationship with ALEC.

Like Color of Change before, the Human Rights Campaign is now similarly targeting numerous organizations by attacking their corporate supporters. The Company's history makes it a target for such attacks.

In its review and report, the Company might also consider implementing policies to inoculate it from such pressure campaigns.



Via FedEx

November 24, 2017

Thomas J. Spellman
Attn: Corporate Secretary
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933

Dear Mr. Spellman,

Enclosed please find a Proof of Ownership letter from UBS Financial Services Inc. in connection with the shareholder proposal submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations by the National Center for Public Policy Research to Johnson & Johnson on November 14, 2017.

Copies of correspondence or a request for a "no-action" letter should be forwarded to Justin Danhof, Esq, General Counsel, National Center for Public Policy Research, 20 F Street, NW, Suite 700, Washington, DC 20001 and emailed to JDanhof@nationalcenter.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin Danhof", with a long horizontal flourish extending to the right.

Justin Danhof, Esq.

Enclosure: Ownership Letter



UBS Financial Services Inc.
1501 K Street NW, Suite 1100
Washington, DC 20005
Tel. 202-585-4000
Fax 855-594-1054
Toll Free 800-382-9989
<http://www.ubs.com/team/cfsgroup>

CFS Group

Anthony Connor
Senior Vice President - Investments
Senior Portfolio Manager
Portfolio Management Program

Bryon Fusini
First Vice President - Investments
Financial Advisor

Richard Stein
Senior Wealth Strategy Associate

www.ubs.com

Mr. Thomas J. Spellman, Office of the Corporate Secretary
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933

November 24, 2017

Confirmation: Information regarding the account of The National Center for Public Policy Research

Dear Mr. Spellman,

The following client has requested UBS Financial Services Inc. to provide you with a letter of reference to confirm its banking relationship with our firm.

The National Center for Public Policy Research has been a valued client of ours since October 2002 and as of the close of business on 11/14/2017, the National Center for Public Research held, and has held continuously for at least one year 45 shares of the Johnson & Johnson common stock. UBS continues to hold the said stock.

Please be aware this account is a securities account not a "bank" account. Securities, mutual funds and other non-deposit investment products are not FDIC-insured or bank guaranteed and are subject to market fluctuation.

Questions

If you have any questions about this information, please contact Dianne Scott at (202) 585-5412.

UBS Financial Services is a member firm of the Securities Investor Protection Corporation (SIPC).

Sincerely,

Dianne Scott
UBS Financial Services Inc.

cc: Justin Danhof, Esq., National Center for Public Policy Research