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BY EMAIL (shareholderproposals@sec.gov)

December 18, 2017

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

RE: Johnson & Johnson – 2018 Annual Meeting
Omission of Shareholder Proposal of
The City of Philadelphia
Public Employees Retirement System

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we are writing on behalf of our client, Johnson & Johnson, a New Jersey corporation, to request that the Staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) concur with Johnson & Johnson’s view that, for the reasons stated below, it may exclude the shareholder proposal and supporting statement (the “Proposal”) submitted by The City of Philadelphia Public Employees Retirement System (the “Proponent”) from the proxy materials to be distributed by Johnson & Johnson in connection with its 2018 annual meeting of shareholders (the “2018 proxy materials”).

In accordance with Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”), we are emailing this letter and its attachments to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), we are

simultaneously sending a copy of this letter and its attachments to the Proponent as notice of Johnson & Johnson's intent to omit the Proposal from the 2018 proxy materials.

Rule 14a-8(k) and Section E of SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponent that if the Proponent submits correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to Johnson & Johnson.

I. The Proposal

The text of the resolution in the Proposal is copied below:

RESOLVED that shareholders of Johnson & Johnson ("JNJ") urge the Board of Directors to adopt a policy that no financial performance metric shall be adjusted to exclude Legal or Compliance Costs when evaluating performance for purposes of determining the amount or vesting of any senior executive Incentive Compensation award. "Legal or Compliance Costs" are expenses or charges associated with any investigation, litigation or enforcement action related to drug manufacturing, sales, marketing or distribution, including legal fees; amounts paid in fines, penalties or damages; and amounts paid in connection with monitoring required by any settlement or judgment of claims of the kind described above. "Incentive Compensation" is compensation paid pursuant to short-term and long-term incentive compensation plans and programs. The policy should be implemented in a way that does not violate any existing contractual obligation of the Company or the terms of any compensation or benefit plan.

II. Basis for Exclusion

We hereby respectfully request that the Staff concur in Johnson & Johnson's view that it may exclude the Proposal from the 2018 proxy materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to Johnson & Johnson's ordinary business operations.

III. Background

On November 8, 2017, Johnson & Johnson received the Proposal, accompanied by a cover letter from the Proponent. On November 14, 2017, Johnson & Johnson received a letter from JPMorgan Chase Bank, N.A. verifying the Proponent's stock ownership. Copies of the Proposal, cover letter and related correspondence are attached hereto as Exhibit A.

IV. The Proposal May be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to Johnson & Johnson's Ordinary Business Operations.

Under Rule 14a-8(i)(7), a shareholder proposal may be excluded from a company's proxy materials if the proposal "deals with matters relating to the company's ordinary business operations." In Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the Commission stated that the policy underlying the ordinary business exclusion rests on two central considerations. The first recognizes that certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. The second consideration relates to the degree to which the proposal seeks to "micro-manage" the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.

In accordance with these principles, the Staff consistently has permitted exclusion of shareholder proposals under Rule 14a-8(i)(7) relating to a company's general legal compliance program. *See, e.g., Sprint Nextel Corp.* (Mar. 16, 2010, *recon. denied* Apr. 20, 2010) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the board explain why the company has not adopted an ethics code designed to, among other things, promote securities law compliance, noting that proposals relating to "the conduct of legal compliance programs are generally excludable under rule 14a-8(i)(7)"); *FedEx Corp.* (July 14, 2009) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting a report on compliance by the company and its contractors with federal and state laws governing the proper classification of employees and contractors, noting that the proposal related to the ordinary business matter of a company's "general legal compliance program"); *The Coca-Cola Co.* (Jan. 9, 2008) (permitting exclusion under Rule 14a-8(i)(7) of a proposal seeking an annual report comparing laboratory tests of the company's products against national laws and the company's global quality standards, noting that the proposal related to the ordinary business matter of the "general conduct of a legal compliance program"); *Verizon Communications Inc.*

(Jan. 7, 2008) (permitting exclusion under Rule 14a-8(i)(7) of a proposal seeking the adoption of policies to ensure the company does not illegally trespass on private property and a report on company policies for preventing and handling such incidents, noting that the proposal related to the ordinary business matter of a company's "general legal compliance program"); *The AES Corp.* (Jan. 9, 2007) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the board create an ethics committee to monitor the company's compliance with, among other things, federal and state laws, noting that the proposal related to the ordinary business matter of the "general conduct of a legal compliance program").

In addition, the Staff has permitted exclusion of a shareholder proposal that focused on a company's legal compliance program even when the proposal also related to executive compensation. Specifically, in *Apple Inc.* (Dec. 30, 2014), the proposal urged the compensation committee to determine incentive compensation for Apple's five most-highly compensated executives in part based on "a metric related to the effectiveness of Apple's policies and procedures designed to promote adherence to laws and regulations." The proposal's supporting statement stressed the risks related to compliance failures, including financial and reputational risks, and the importance of designing "incentive compensation formulas to reward senior executives for ensuring that Apple maintains effective compliance policies and procedures." In granting relief to exclude the proposal under Rule 14a-8(i)(7), the Staff concluded that "although the proposal relates to executive compensation, the thrust and focus of the proposal [was] on the ordinary business matter of the company's legal compliance program."

The decision in *Apple* was consistent with the Staff's approach of permitting exclusion under Rule 14a-8(i)(7) of proposals couched as relating to executive compensation but whose thrust and focus is on an ordinary business matter. *See, e.g., Delta Air Lines, Inc.* (Mar. 27, 2012) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the board prohibit payment of incentive compensation to executive officers unless the company first adopts a process to fund the retirement accounts of its pilots, noting that "although the proposal mentions executive compensation, the thrust and focus of the proposal is on the ordinary business matter of employee benefits"); *Exelon Corp.* (Feb. 21, 2007) (permitting exclusion under Rule 14a-8(i)(7) of a proposal seeking to prohibit bonus payments to executives to the extent performance goals were achieved through a reduction in retiree benefits, noting that "although the proposal mentions executive compensation, the thrust and focus of the proposal is on the ordinary business matter of general employee benefits"); *General Electric Co.* (Jan. 10, 2005) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the compensation committee include social responsibility and environmental criteria among

executives' incentive compensation goals, where the supporting statement demonstrated that the goal of the proposal was to address a purported link between teen smoking and the presentation of smoking in movies produced by the company's media subsidiary, noting that "although the proposal mentions executive compensation, the thrust and focus of the proposal is on the ordinary business matter of the nature, presentation and content of programming and film production"); *The Walt Disney Co.* (Dec. 14, 2004) (same); *Wal-Mart Stores, Inc.* (Mar. 17, 2003) (permitting exclusion under Rule 14a-8(i)(7) of a proposal urging the board to account for increases in the percentage of the company's employees covered by health insurance in determining executive compensation, noting that "while the proposal mentions executive compensation, the thrust and focus of the proposal is on the ordinary business matter of general employee benefits").

In this instance, the thrust and focus of the Proposal is on Johnson & Johnson's legal compliance program, which is an ordinary business matter. Specifically, the Proposal urges Johnson & Johnson's board of directors to adopt a policy requiring that performance measures used to determine executive incentive compensation take into account legal and compliance costs. The Proposal goes on to define those legal and compliance costs to include, among other things, expenses associated with investigations and litigation relating to drug manufacturing, sales, marketing and distribution. In addition, the Proposal's supporting statement stresses the importance of "incentiviz[ing] senior executives to drive growth while safeguarding company operations and reputation over the long-term" and encouraging legal compliance by avoiding incentive compensation metrics that "may insulate senior executives from legal risk [and] associated costs" incurred by the company.

Thus, while the Proposal's request relates to executive compensation, the thrust and focus of the Proposal clearly is on incentivizing senior executives to maintain and bolster Johnson & Johnson's legal and compliance program so as to minimize legal and compliance costs, which falls squarely within Johnson & Johnson's ordinary business operations. Therefore, consistent with *Apple* and the other precedent described above, the Proposal is excludable under Rule 14a-8(i)(7) as having a thrust and focus relating to Johnson & Johnson's ordinary business matters (*i.e.*, its legal compliance program).

Finally, we note that a proposal may not be excluded under Rule 14a-8(i)(7) if it is determined to focus on a significant policy issue. The fact that a proposal may touch upon potential public policy considerations, however, does not preclude exclusion under Rule 14a-8(i)(7). Instead, the question is whether the proposal focuses primarily on a matter of broad public policy versus matters related to the

company's ordinary business operations. *See* the 1998 Release and Staff Legal Bulletin No. 14E (Oct 27, 2009). The Staff has consistently permitted exclusion of shareholder proposals where the proposal focused on ordinary business matters, even though it also related to a potential significant policy issue. For example, in *Amazon.com, Inc.* (Mar. 27, 2015), the Staff permitted exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company "disclose to shareholders reputational and financial risks it may face as a result of negative public opinion pertaining to the treatment of animals used to produce products it sells" where the proponent argued that Amazon's sale of foie gras implicated a significant policy issue (animal cruelty). In granting no-action relief, the Staff determined that "the proposal relates to the products and services offered for sale by the company." Similarly, in *PetSmart, Inc.* (Mar. 24, 2011), the Staff permitted exclusion under Rule 14a-8(i)(7) of a proposal calling for suppliers to certify that they have not violated certain laws regarding the humane treatment of animals, even though the Staff had determined that the humane treatment of animals was a significant policy issue. In its no-action letter, the Staff specifically noted the company's view that the scope of the laws covered by the proposal were "fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping." *See also, e.g., CIGNA Corp.* (Feb. 23, 2011) (permitting exclusion under Rule 14a-8(i)(7) when, although the proposal addressed the potential significant policy issue of access to affordable health care, it also asked CIGNA to report on expense management, an ordinary business matter); *Capital One Financial Corp.* (Feb. 3, 2005) (permitting exclusion under Rule 14a-8(i)(7) when, although the proposal addressed the significant policy issue of outsourcing, it also asked the company to disclose information about how it manages its workforce, an ordinary business matter). In this instance, even if the Proposal were to touch on a potential significant policy issue, similar to the precedent above, the Proposal's focus is on Johnson & Johnson's legal compliance program, an ordinary business matter.

Accordingly, consistent with the precedent described above, Johnson & Johnson believes that the Proposal may be excluded from its 2018 proxy materials pursuant to Rule 14a-8(i)(7) as relating to Johnson & Johnson's ordinary business operations.

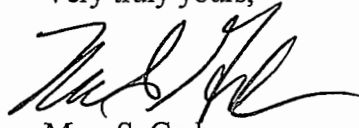
V. Conclusion

Based upon the foregoing analysis, Johnson & Johnson respectfully requests that the Staff concur that it will take no action if Johnson & Johnson excludes the Proposal from its 2018 proxy materials.

Office of Chief Counsel
December 18, 2017
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Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of Johnson & Johnson's position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff's response. Please do not hesitate to contact the undersigned at (202) 371-7233.

Very truly yours,



Marc S. Gerber

Enclosures

cc: Thomas J. Spellman III
Assistant General Counsel and Corporate Secretary
Johnson & Johnson

Christopher DiFusco
Chief Investment Officer
The City of Philadelphia Public Employees Retirement System

EXHIBIT A

(see attached)



BOARD OF PENSIONS AND RETIREMENT
PHILADELPHIA PUBLIC EMPLOYEES
RETIREMENT SYSTEM

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CHRISTOPHER DIFUSCO
Chief Investment Officer

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Two Penn Center Plaza
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November 8, 2017

By regular mail and fax:
732-524-2185

Mr. Thomas Spellman
Assistant General Counsel and Corporate Secretary
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933

Re: The City of Philadelphia Public Employees Retirement System

Dear Mr. Spellman:

In my capacity as the Chief Investment Officer of The City of Philadelphia Public Employees Retirement System (the "Fund"), I write to give notice that pursuant to the 2017 proxy statement of Johnson & Johnson (the "Company"), the Fund intends to present the attached proposal (the "Proposal") at the 2018 annual meeting of shareholders (the "Annual Meeting"). The Fund requests that the Company include the Proposal in the Company's proxy statement for the Annual Meeting.

A letter from the Fund's custodian documenting the Fund's continuous ownership of the requisite amount of the Company's stock for at least one year prior to the date of this letter is being sent under separate cover. The Fund also intends to continue its ownership of at least the minimum number of shares required by the SEC regulations through the date of the Annual Meeting.

I represent that the Fund or its agent intends to appear in person or by proxy at the Annual Meeting to present the attached Proposal. I declare the Fund has no "material interest" other than that believed to be shared by stockholders of the Company generally.

Sincerely,

Christopher DiFusco
Chief Investment Officer

RESOLVED that shareholders of Johnson & Johnson ("JNJ") urge the Board of Directors to adopt a policy that no financial performance metric shall be adjusted to exclude Legal or Compliance Costs when evaluating performance for purposes of determining the amount or vesting of any senior executive Incentive Compensation award. "Legal or Compliance Costs" are expenses or charges associated with any investigation, litigation or enforcement action related to drug manufacturing, sales, marketing or distribution, including legal fees; amounts paid in fines, penalties or damages; and amounts paid in connection with monitoring required by any settlement or judgment of claims of the kind described above. "Incentive Compensation" is compensation paid pursuant to short-term and long-term incentive compensation plans and programs. The policy should be implemented in a way that does not violate any existing contractual obligation of the Company or the terms of any compensation or benefit plan.

SUPPORTING STATEMENT

As JNJ shareholders, we support compensation arrangements that incentivize senior executives to drive growth while safeguarding company operations and reputation over the long-term. JNJ adjusts certain financial metrics when calculating progress on goals for the purposes of awarding incentive compensation. While some adjustments may be appropriate, we believe senior executives should not be insulated from legal risks, particularly on matters of import.

President Trump has recently declared the opioid epidemic a public health emergency. According to pages 79-80 of the Company's 2017 10-K, JNJ has been named in several lawsuits relating to the marketing of opioid pharmaceuticals and has been subpoenaed by other states for similar claims. Attorneys general of 41 states have opened an investigation of opioid makers and distributors that includes JNJ's subsidiary Janssen Pharmaceuticals.

We believe the opioid emergency presents a heightened level of risk for JNJ investors. We also believe JNJ is well positioned to incentivize senior executives to mitigate these risks by ensuring their compensation is tied to effective management of this crisis. As it is structured now, JNJ may insulate senior executives from legal risk by removing associated costs from the metrics that determine their incentive compensation.

JNJ uses adjusted earnings per share ("EPS") and adjusted operational EPS for incentive compensation according to page 42 of the 2017 proxy statement. The adjusted figures are non-GAAP financial measures whose calculations may exclude litigation.

We believe a superior approach to measuring EPS and operational EPS is to include Legal and Compliance Costs, particularly those associated with opioid litigation.

We urge shareholders to vote for this proposal.


J.P.Morgan

Neil Kleinberg
Client Service
CIB Client Service Americas

11/9/17

By regular mail and fax:
732-524-2185

Mr. Thomas Spellman
Assistant General Counsel and Corporate Secretary
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933

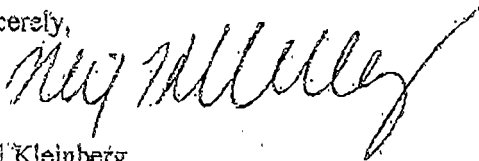
Re: The City of Philadelphia Public Employees Retirement System

Dear Mr. Spellman:

As custodian of The City of Philadelphia Public Employees Retirement System (the "Fund"), we are writing to report that as of the close of business on 11/9/17 the Fund held shares of Johnson & Johnson ("Company") stock in our account at Depository Trust Company and registered in its nominee name of Cede & Co. The Fund has held in excess of \$2,000 worth of shares in your Company continuously since 11/9/16.

If there are any other questions or concerns regarding this matter, please feel free to contact me at 212-623-8787.

Sincerely,



Neil Kleinberg