

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Jon Leibowitz, Chairman**
 J. Thomas Rosch
 Edith Ramirez
 Julie Brill
 Maureen K. Ohlhausen

)	
In the Matter of)	
)	
JOHNSON & JOHNSON,)	File No. 111 0160
a corporation.)	
)	
)	

AGREEMENT CONTAINING CONSENT ORDERS

The Federal Trade Commission (“Commission”), having initiated an investigation of the proposed acquisition of Synthes, Inc. (“Synthes”) by Johnson & Johnson (“Proposed Respondent”), and it now appearing that Proposed Respondent is willing to enter into this Agreement Containing Consent Orders (“Consent Agreement”) to divest certain assets and providing for other relief:

IT IS HEREBY AGREED by and between Proposed Respondent, by its duly authorized officers and attorneys, and counsel for the Commission that:

1. Proposed Respondent is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its headquarters address located at One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933.
2. Proposed Respondent admits all the jurisdictional facts set forth in the draft of Complaint here attached.
3. Proposed Respondent waives:
 - a. any further procedural steps;
 - b. the requirement that the Commission’s Decision and Order and Order to Maintain Assets, both of which are attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;

- c. all rights to seek judicial review or otherwise to challenge or contest the validity of the Decision and Order or the Order to Maintain Assets entered pursuant to this Consent Agreement; and
 - d. any claim under the Equal Access to Justice Act.
4. Because there may be interim competitive harm, the Commission may issue its Complaint and the Order to Maintain Assets in this matter at any time after it accepts the Consent Agreement for public comment.
5. Not later than thirty (30) days after the date this Consent Agreement is signed by the Proposed Respondent, Proposed Respondent shall submit an initial report, pursuant to Section 2.33 of the Commission's Rules, 16 C.F.R. § 2.33. Proposed Respondent shall submit subsequent reports every thirty (30) days thereafter until the Order to Maintain Assets becomes final. Each compliance report submitted shall describe in detail the manner in which Proposed Respondent has complied, is complying and will comply with the Consent Agreement, the Order to Maintain Assets and the Decision and Order. In addition, each report shall provide sufficient information and documentation to enable the Commission to determine independently whether the Proposed Respondent is in compliance with this Consent Agreement and each of the Orders.
6. Each report submitted pursuant to paragraph 5 above shall be verified by a notarized signature or sworn statement, or be self-verified in the manner set forth in 28 U.S.C. §1746. Section 2.41(a) of the Commission's Rules of Practice requires that an original and two copies of all compliance reports be filed with the Commission. Proposed Respondent shall file an original report and one copy with the Secretary of the Commission, and shall send one copy directly to the Bureau of Competition's Compliance Division. In addition, Proposed Respondent shall provide a copy of each report to the Monitor appointed by the Order to Maintain Assets.
7. This Consent Agreement, and any compliance reports filed pursuant to this Consent Agreement, shall not become part of the public record of the proceeding unless and until the Consent Agreement is accepted by the Commission. If accepted by the Commission, this Consent Agreement, together with the draft Complaint, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify Proposed Respondent, in which event it will take such action as it may consider appropriate, or issue or amend its Complaint (in such form as the circumstances may require) and issue its Decision and Order, in disposition of the proceeding.
8. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondent that the law has been violated as alleged in the draft of Complaint here attached, or that the facts as alleged in the draft Complaint, other than jurisdictional facts, are true.

9. This Consent Agreement contemplates that, if it is accepted by the Commission, the Commission may (a) issue and serve its Complaint corresponding in form and substance with the draft of Complaint here attached, (b) issue and serve its Order to Maintain Assets, and (c) make information public with respect thereto. If such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Proposed Respondent, issue the attached Decision and Order containing an order to divest and providing for other relief in disposition of the proceeding.
10. When final, the Decision and Order and the Order to Maintain Assets shall have the same force and effect and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order and the Order to Maintain Assets shall become final upon service. Delivery of the Complaint, the Decision and Order, and the Order to Maintain Assets to Proposed Respondent by any means provided in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a) – including, but not limited to, delivery to any office within the United States of Steven A. Newborn, of Weil, Gotshal & Manges LLP; or of any other lawyer or law firm listed as Counsel for Proposed Respondent on this Consent Agreement – shall constitute service as to Proposed Respondent. Proposed Respondent waives any right it may have to any other manner of service. Proposed Respondent also waives any right it may otherwise have to service of any Appendices incorporated by reference into the Decision and Order or the Order to Maintain Assets, and agrees that it is bound to comply with and will comply with the Decision and Order and the Order to Maintain Assets to the same extent as if it had been served with copies of the Appendices, where Proposed Respondent is already in possession of copies of such Appendices.
11. The Complaint may be used in construing the terms of the Decision and Order and the Order to Maintain Assets, and no agreement, understanding, representation, or interpretation not contained in the Decision and Order, the Order to Maintain Assets, or the Consent Agreement may be used to limit or contradict the terms of the Decision and Order or the Order to Maintain Assets.
12. By signing this Consent Agreement, Proposed Respondent represents and warrants that it can accomplish the full relief contemplated by the attached Decision and Order (including effectuating all required divestitures, assignments, transfers) and the Order to Maintain Assets and that all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement are: (1) within the control of the party to this Consent Agreement, or (2) will be in the control of the party to this Consent Agreement after the proposed acquisition.
13. Proposed Respondent agrees that it shall interpret each Remedial Agreement under the Decision and Order in a manner that is fully consistent with all of the relevant provisions and remedial purposes of the Decision and Order and the Order to Maintain Assets.

14. Proposed Respondent has read the draft of Complaint, the Decision and Order, and the Order to Maintain Assets contained in this Consent Agreement. Proposed Respondent understands that once the Decision and Order and the Order to Maintain Assets have been issued, Proposed Respondent will be required to file one or more compliance reports showing that it has fully complied with the Decision and Order and the Order to Maintain Assets.
15. Proposed Respondent agrees to comply with the terms of the proposed Decision and Order and the Order to Maintain Assets from the date it signs this Consent Agreement. Proposed Respondent further understands that it may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order or of the Order to Maintain Assets after each becomes final.

JOHNSON & JOHNSON

By: _____

Alex Gorsky
Chief Executive Officer
Johnson & Johnson

Dated _____

Steven A. Newborn, Esq.
Ann Malester, Esq.
Steven K. Bernstein, Esq.
Weil, Gotshal & Manges LLP
Counsel for Johnson & Johnson

Dated _____

FEDERAL TRADE COMMISSION

By: _____

Mark Seidman
Brian A. O'Dea

Attorneys
Bureau of Competition

APPROVED:

By: _____

Michael R. Moiseyev
Assistant Director
Bureau of Competition

Peter J. Levitas
Deputy Director
Bureau of Competition

Richard A. Feinstein
Director
Bureau of Competition