

SKELETAL OVEREXPRESSION OF GREMLIN IMPAIRS BONE FORMATION AND
CAUSES OSTEOPENIA

Elisabetta Gazzero^{1,2}, Renata C. Pereira^{1,2}, Vanda Jorgetti⁴, Sarah Olson¹, Aris .N. Economides³,
Ernesto Canalis^{1,2}

From the ¹Department of Research
Saint Francis Hospital and Medical Center, Hartford, CT, USA

² University of Connecticut School of Medicine, Farmington, CT, USA

³Regeneron Pharmaceuticals, Inc., Tarrytown, New York, USA

and

⁴Laboratorio de Fisiopatologia Renal, Universidade de Sao Paulo, Sao Paulo, Brasil

Running Title: Gremlin causes osteopenia

This work was supported by Grant AR21707 from the National Institute of Arthritis and Musculoskeletal and Skin Diseases (EC), and fellowship awards from the Arthritis Foundation (EG and RCP).

Address correspondence and reprint requests to:

Ernesto Canalis, M.D.
Department of Research
Saint Francis Hospital and Medical Center
114 Woodland Street
Hartford, CT 06105-1299

Tel: (860)714-4068
Fax: (860)714-8053
E-mail: ecanalis@stfranciscare.org

ABSTRACT

Skeletal cells synthesize bone morphogenetic proteins (BMP) and BMP antagonists. Gremlin, a BMP antagonist, is expressed in osteoblasts and opposes BMP effects on osteoblastic differentiation and function *in vitro*. However, its effects *in vivo* are not known. To investigate the actions of gremlin on bone remodeling *in vivo*, we generated transgenic mice overexpressing gremlin under the control of the osteocalcin promoter. Gremlin transgenics exhibited bone fractures, and reduced bone mineral density by 20-30% as compared to controls. Static and dynamic histomorphometry of femurs revealed that gremlin overexpression caused reduced trabecular bone volume and the appearance of woven bone. Polarized light microscopy revealed disorganized collagen bundles at the endosteal cortical surface. Gremlin transgenic mice displayed a 70% decrease in the number of osteoblasts/trabecular area and reduced mineral apposition and bone formation rates. *In vivo* bromodeoxyuridine labeling and marrow stromal cell cultures demonstrated an inhibitory effect of gremlin on osteoblastic cell replication, but no change on apoptosis was detected. Marrow stromal cells from gremlin transgenics displayed a reduced response to BMP on Smad 1/5/8 phosphorylation and reduced free cytosolic β -catenin levels. In conclusion, transgenic mice overexpressing gremlin in the bone microenvironment have decreased osteoblast number and function leading to osteopenia and spontaneous fractures.

INTRODUCTION

Skeletal cells synthesize a number of growth factors including bone morphogenetic proteins (BMP), which play a critical role in skeletal development and in the maintenance of bone homeostasis (1). BMPs are unique since they induce the differentiation of mesenchymal cells toward the osteoblastic lineage and enhance the function of the osteoblast, playing an autocrine role in osteoblast formation and function. However, BMP activities are tempered by intracellular and extracellular antagonists, and their importance is documented by experimental studies and genetic human disorders (2-6). Extracellular BMP antagonists are a group of secreted proteins, which include noggin, the chordin family, members of the differentially screening-selected gene aberrative in neuroblastoma (DAN)/Cerberus family, and twisted gastrulation (7-11). These antagonists bind to their cognate BMPs, preventing their binding to their signaling receptors, although activities independent of BMP binding have been suggested. Each extracellular antagonist binds specific members of the BMP superfamily with different affinity.

Gremlin, a highly conserved 20.7 kiloDalton (kDa) glycoprotein, is a member of the DAN/Cerberus family and was originally isolated in *Xenopus* embryos as an anti-BMP dorsalizing agent (12). Gremlin and its rat homolog, *drm* ("downregulated by v-mos"), are secreted glycoproteins and are present in the extracellular matrix, but also are found in the endoplasmic reticulum (13). Gremlin/*drm* binds and prevents the activity of BMP-2, -4, -7. Its synthesis is reduced in neoplastic cells and it is considered to play a negative role on cell survival acting as a tumor suppressor gene (14). Homozygous null mutations of the gremlin gene in mice result in serious developmental limb abnormalities and lethality. Nullizygous embryos and newborns display only one bone in the zeugopod, the median segment of the

developing limb of both fore- and hind-limbs, fewer digits and abnormal maintenance of interdigital tissue (15). The patterning of distal limb skeletal elements is tightly regulated by the reciprocal interactions between BMPs, fibroblast growth factor (FGF) 4 and Sonic Hedgehog. Gremlin is secreted in the limb bud, and by inhibiting the action of local BMPs, it enhances FGF 4 activity and promotes proximo-distal limb outgrowth and development (16, 17).

The role of gremlin in the adult skeleton is unknown. Osteoblasts express gremlin, which is increased following BMP exposure, suggesting the presence of local feedback mechanisms to regulate BMP activity by gremlin (18). *In vitro*, gremlin decreases the stimulatory effects of BMP on osteoblastic function. Previous work from our laboratory has described that transgenic mice overexpressing the BMP antagonist noggin exhibit severe osteopenia and profound inhibition of bone formation (19). Although noggin and gremlin bind and prevent BMP functions *in vitro*, independent activities have not been excluded. It is possible that noggin and gremlin act in a complementary fashion and not as redundant signals. The consequences of gremlin overexpression in adult skeletal tissue *in vivo* are not known. Therefore, this study assessed the direct effects of gremlin on bone remodeling. For this purpose, we created transgenic mice overexpressing gremlin under the control of the osteoblastic specific osteocalcin promoter, and determined their skeletal phenotype.

MATERIALS AND METHODS

Osteocalcin/gremlin construct

After introduction of the Kozak consensus sequence upstream of the translation initiation codon, the 0.56 kilobase (kb) fragment coding human gremlin was cloned downstream of a 1.7 kb fragment of the rat osteocalcin promoter (Dr. R. Derynck, University of California, San Francisco, CA.) (20). The second intron of the rabbit β -globin gene (0.6 kb) was included between the osteocalcin promoter and gremlin coding sequences, which were followed by a 0.2 kb fragment containing polyadenylation sequences from the bovine growth hormone (GH) gene. Nucleotide sequence analysis confirmed the absence of mutations and the correct orientation of the construct. The ability of the construct to direct gremlin expression *in vitro* was confirmed by transiently transfecting the transgene construct into ROS17/2 osteosarcoma cells, and identification of gremlin transgene by Northern blot analysis, and protein by Western blot analysis (not shown).

Generation of transgenic mice

Microinjection of linearized DNA into pronuclei of fertilized oocytes from CD-1 outbred albino mice (Charles River Laboratories, Cambridge, MA), and transfer of microinjected embryos into pseudopregnant mice were carried out by the transgenic facility at the University of Connecticut Health Center (Farmington, CT). Positive founders were identified by Southern blot analysis of tail DNA. Genomic DNA was digested with the restriction endonuclease, BamHI, resolved by electrophoresis on a 0.8% Seakem LE agarose gel (Cambrex Bio Science, Rockland, ME), blotted onto GeneScreen Plus charged nylon (Perkin-Elmer, Norwalk, CT), hybridized with a 0.6 kb human gremlin cDNA (Regeneron Pharmaceuticals Inc., Tarrytown, NY), and

washed as previously described (19, 21). The bound radioactive material was visualized by autoradiography on Kodak X-AR5 film (Eastman Kodak, Rochester, NY), employing Cronex Lightning Plus (Perkin-Elmer) or Biomax MS (Eastman Kodak) intensifying screens. Relative hybridization levels were determined by densitometry, and copy number determined by comparing the intensity of the transgenic band to the wild type band previously defined as 1 copy. Founder transgenic mice were bred to wild type CD-1 mice to generate individual transgenic lines. First generation (F1) heterozygous and wild type littermates were genotyped by Southern blot analysis. Heterozygous mice of subsequent generations were identified by amplification of a 700 base pair (bp) band by polymerase chain reaction (PCR) of genomic DNA using 20 μ M of a forward primer (5'- ATGGTGCACAGCCTACACGGTG-3'), corresponding to bp +1 to bp +24 of gremlin coding sequence, and 20 μ M of a reverse primer (5'-TAGAAGGCACAGTCGAGG-3'), corresponding to an 18 bp segment of bovine GH polyadenylation sequence. Heterozygous mice were inter-crossed to generate a homozygous offspring, which was identified by Southern blot analysis. The results described were obtained from the analysis of two transgenic lines, derived from independent founders. All animal experiments were approved by the Animal Care and Use Committee of Saint Francis Hospital and Medical Center.

Northern blot analysis

Total RNA was isolated from calvariae using the Trizol reagent solution as per manufacturer's instructions (Invitrogen, Carlsbad, CA). The RNA was resolved by electrophoresis on a formaldehyde agarose gel following denaturation, blotted onto GeneScreen Plus charged nylon and hybridized with a 0.6 kb human gremlin cDNA and a 0.7 kb murine 18S

ribosomal RNA cDNA from the American Type Culture Collection (ATCC, Manassas, VA), as described (18). Northern analysis are representative of three samples.

Serology

Serum was collected by intracardiac puncture at the time of sacrifice, and albumin levels were measured using the VITROS ALB Slides quantitative system per manufacturer's instructions (Ortho-Clinical Diagnostics, Rochester NY).

X-ray analysis and bone mineral density

Radiography was performed on mice anesthetized with tribromoethanol (Sigma Chemical Co., St. Louis, MO) on a Faxitron X-ray system (model MX 20, Faxitron X-ray Corp., Wheeling, IL). The X-rays were performed at an intensity of 35 kilowatts for 25 seconds. Total, vertebral and femoral bone mineral content (gm), skeletal area (cm²), and bone mineral density (BMD; gm/ cm²) were measured on anesthetized mice using the PIXImus small animal DEXA system (GE Medical Systems/LUNAR, Madison, WI) (22). Calibrations were performed with a phantom of a defined value, and quality assurance measurements were performed prior to each use. The coefficient of variation for total BMD is <1% (n = 9 mice).

Bone histomorphometric analysis

Static and dynamic histomorphometry was carried out on transgenic mice and wild type controls at 4.5, 8 and 12 weeks of age. Mice were injected with calcein, 20 mg/kg, and demeclocycline, 30 mg/kg, at an interval of 3, 6 or 8 days for 4.5, 8 and 12 week old mice, respectively, and sacrificed by CO₂ asphyxiation 2 days after the demeclocycline injection.

Femurs were dissected, fixed in 70% ethanol, dehydrated and embedded undecalcified in methyl methacrylate. Longitudinal sections, 5 μm thick, were cut on a Microm microtome (Microm, Richards-Allan Scientific, Kalamazoo, MI) and stained with toluidine blue, pH 6.4. Static parameters of bone formation and resorption were measured in a defined area between 181 μm and 725 μm from the growth plate, using an OsteoMeasure morphometry system (Osteometrics, Atlanta, GA). Cortical width was measured in a segment defined between 725 μm and 1270 μm from the growth plate. For dynamic histomorphometry, mineralizing surface per bone surface and mineral apposition rate were measured in unstained sections under ultraviolet light, using a B-2A set long pass filter consisting of an excitation filter ranging from 450 to 490 nanometers (nm), a barrier filter at 515 nm, and a dichroic mirror at 500 nm. Bone formation rate (BFR) was calculated. Polarized-light microscopy was used to analyze the orientation of bone collagen fibrils using a polarizer (Nikon, Inc., Melville, NY). The terminology and units used are those recommended by the Histomorphometry Nomenclature Committee of the American Society for Bone and Mineral Research (23). For determination of mineral content, sections were stained with Von Kossa solution as described previously (24).

Measurement of bromodeoxyuridine incorporation in decalcified bone sections

Transgenic mice and wild type controls were injected intraperitoneally with 50 μg bromodeoxyuridine (BrdU) per gram of body weight at 4.5 weeks of age, 24 h before sacrifice. After sacrifice, femurs were dissected, fixed in 10% formalin in phosphate buffered saline (PBS) for 3 h at room temperature, decalcified with Decal-Stat (Decal Corp., Tallman NY) overnight at 4°C and embedded in paraffin. Longitudinal sections across the femurs were obtained. Prior to processing, tissue slides were exposed to 0.05% pepsin in 0.1 N HCl for 30 min at 37°C. Slides

were then placed in citrate buffer, heated at 50°C for 20 min for heat induced target antigen retrieval, and incubated with 1:100 primary antibody to BrdU (Dako Corp., Carpinteria, CA) (25, 26). To identify actively proliferating cells, nuclei that had incorporated BrdU were detected using the Dako EnVision+ System, Peroxidase (DAB) system (Dako Corp.) per manufacturer's instructions. Sections were counterstained with hematoxylin. For each section, BrdU-positive nuclei of cells lining the trabecular perimeter were counted in three consecutive fields of the primary spongiosa. Two sections were counted for each of three wild type and four transgenic mice. Sections incubated in the absence of the primary antibody were used as negative controls for the assay. Preliminary experiments confirmed absence of BrdU positive cells in mice injected with vehicle alone.

Measurement of apoptosis in undecalcified bone sections

Sections were mounted on poly-lysine-coated glass slides (Allegiance Healthcare Corp., McGraw Park, IL). Slides were treated with 100 µl of 20 µg/µl proteinase K in 10 mM Tris, pH 8.0 for 20 min at room temperature, rinsed twice with 50 mM TBS (0.05 M Tris, 0.138 M NaCl, 0.0027 M KCl) pH 8.0 for 5 min and once in 10 mM TBS, pH 7.6, reincubated in 30% H₂O₂ in methanol for 4 min and rinsed with 50 mM TBS. DNA fragmentation was detected by the transferase-mediated digoxigenin-deoxyuridine triphosphate (dUTP) in situ nick-end labeling (TUNEL) reaction using Klenow terminal deoxynucleotidyl transferase per manufacturer's instructions (Oncogene Research Products, Cambridge, MA) (27). Sections were incubated in 0.15% CuSO₄ in 0.9% NaCl for 2 min and counterstained with 2% methyl green aqueous solution. Sections of femurs and calvariae from wild type mice treated with 1 µg/µl DNase I in 50 mM TBS/ 1mM MgSO₄ were used as a positive control of the assay. Sections not incubated

with the transferase, but with vehicle alone, were used as negative controls. Cells in which the nuclei were clearly dark brown rather than blue-green were considered apoptotic and osteoblasts were identified as cells lining the trabecular surface.

Bone marrow stromal cell cultures

Femurs were aseptically removed from 4.5 week old mice, following CO₂ asphyxiation, and stromal cells were recovered by centrifugation, as described (28). Cells were plated at a density of 5×10^5 cells/cm² and cultured in α -MEM (Invitrogen, Rockville, MD) containing 15% fetal bovine serum (FBS, Atlanta Biologicals, Norcross, GA) at 37°C in a humidified 5% CO₂ incubator. Half the volume of the culture medium was replaced after 4 days of culture with fresh medium, and when wild type cells reached confluence (6-7 days of culture), the medium was changed to α -MEM supplemented with 10% FBS, 50 μ g/ml ascorbic acid and 5 mM β -glycerophosphate (Sigma Chemical Co.) in the absence or presence of recombinant human BMP-2 (Wyeth, Collegeville, PA). The medium was replaced twice a week for the duration of the culture, and cells were harvested 3 days after the last change of medium. For cytochemical analysis, cells were fixed with 4.5 mM citric acid, 2.25 mM sodium citrate, 65% acetone, and 8% formalin and stained for the presence of mineralized nodules using 2% alizarin red (Sigma Chemical Co.) (28). To assess changes in cell number, cultures were trypsinized, cells suspended in PBS and viable cells counted under the microscope following trypan blue staining. Data are expressed as number of cells per well and are obtained from two distinct cultures. To assess changes in Smad phosphorylation and β -catenin levels, cells were cultured for 10 days, serum deprived overnight and exposed to control medium, BMP-2 or human recombinant TGF- β 1 (Genentech, South San Francisco, CA) for 20 min, as indicated in text and legends.

To evaluate changes in osteoclastogenesis, stromal cells were plated at 2.5×10^5 cells/cm² and cultured in α -MEM medium containing 10% FBS in the presence of 10 nM 1,25 dihydroxy Vitamin D₃. To determine the number of tartrate-resistant acid phosphatase (TRAP)-positive multinucleated cells, cultures were fixed and stained using an acid phosphatase staining kit according to manufacturer's instructions (Sigma Chemical Co.) (29).

Reverse transcription (RT) PCR

Total RNA was isolated from stromal cells and 2 μ g were DNase I-treated and reverse-transcribed with Murine Moloney Leukemia Virus (MMLV) reverse transcriptase (Invitrogen) in the presence of 20 μ M random primers. To quantify gremlin transgene, 0.1 μ g of reverse-transcribed DNA were amplified by 26 PCR cycles at 54°C annealing temperature in the presence of 20 μ M of a forward primer corresponding to bp +1 to bp +24 of gremlin coding sequence and of 20 μ M of a reverse primer corresponding to an 18 bp segment of bovine GH polyadenylation sequence present in the osteocalcin-gremlin construct, both described under “*Generation of transgenic mice*”. To measure osteocalcin transcripts, 0.1 μ g of reverse-transcribed DNA were amplified by 28 PCR cycles at 55°C annealing temperature in the presence of 20 μ M of a forward primer (5'-ACCAGTATGGCTTGAAGACCGC-3') and 20 μ M of a reverse primer (5'-TTTTGGAGCTGCTGTGACATCC-3'). To control for the amount of DNA amplified, 18S was co-amplified in the same reaction using 20 μ M of a forward primer (5'-ATGTCTAAGTACGCACGG-3') and 20 μ M of a reverse primer (5'-AGCGACCAAAGGAACCATA-3').

Western immuno blot analysis

To determine phosphorylated Smads, the cell layer was extracted from stromal cells in TNE lysis buffer [20 mM Tris(pH 7.4), 150 mM NaCl, 1% P40, and 1mM EDTA in the presence of protease inhibitors. 70 µg of total cellular protein were fractionated by polyacrylamide gel electrophoresis in 12% gels under non-reducing conditions and transferred to Immobilon P membranes (Millipore, Bedford, MA). For phosphorylated Smad 1/5/8, the membranes were blocked with 2% bovine serum albumin in PBS and exposed to a 1:1000 dilution of a polyclonal antibody which recognizes Smad 1, 5 and 8 phosphorylated at the last two serine residues (Dr. C.H. Heldin, Ludwig Institute for Cancer Research, Uppsala, Sweden and Dr. P. ten Dijke, The Netherlands Cancer Institute, Amsterdam, The Netherlands) or to a 1:1000 dilution of an antibody to unphosphorylated Smad 5 (Cell Signaling Technologies, Beverly, MA) (30). For Smad 2, the membranes were blocked with 5% nonfat dry milk in TBS-T (TBS,0.1% Tween), pH 7.6 and exposed to a 1:1000 dilution of a polyclonal antibody to phosphorylated Smad 2 (Ser465/467) or to unphosphorylated Smad 2 (Cell Signaling Technology). To determine β -catenin levels, the cell layer was extracted in 10 mM Tris, 140 mM NaCl, 5 mM EDTA, and 2 mM dithiothreitol buffer at pH 7.6, in the presence of protease inhibitors, and the cytosolic fraction separated by ultracentrifugation as described (31). 70 µg of total cytosolic protein were fractionated by polyacrylamide gel electrophoresis in 7.5% gels under non-reducing conditions and transferred to Immobilon P membranes. Membranes were blocked with 2% bovine serum albumin in PBS and exposed to a 1:1000 dilution of a monoclonal antibody to unphosphorylated β -catenin (Santa Cruz Biotechnology, Santa Cruz, CA) or to a 1:1000 dilution of a polyclonal antibody to β -actin (Cell Signaling Technology). Blots were exposed to anti-rabbit or anti-

mouse IgG antiserum conjugated to horseradish peroxidase and developed with a chemiluminescence detection reagent (Perkin Elmer).

ST-2 cell cultures and transient transfections

ST-2 cells, cloned stromal cells isolated from bone marrow of BC8 mice, (Dr. S. Harris, University of Texas Health Sciences Center, San Antonio, TX), were grown in a humidified 5% CO₂ incubator at 37° C in α -MEM, supplemented with 10% FBS (32). To determine changes in BMP-2 signaling, a construct containing twelve copies of a Smad 1/5 response element, linked to the osteocalcin basal promoter, and cloned upstream of a luciferase reporter gene (12xSBE-OC-pGL3) (Dr. M. Zhang, University of Texas Health Sciences Center, San Antonio, TX), was tested in transient transfection experiments (33). To determine changes in β -catenin transactivating activity, a pTOPFLASH reporter construct containing three copies of the lymphoid enhancer binding factor 1 (Lef 1) / T cell transcription factor 4 (Tcf-4) binding sequences, CCTTTGATC, or its mutant, pFOPFLASH containing three copies of the mutant binding site, CCTTGGCC, both cloned upstream of a minimal *c-fos* promoter and a luciferase reporter gene (Dr. J. Kitajewski, New York University, New York City, NY) were tested in transient co-transfections in the presence of a Wnt 3/pUSE expression construct (Dr. J. Billiard, Wyeth, Collegeville, PA) or a pcDNA3.1 vector (34). ST-2 cells were cultured to 70% confluence and transiently transfected with the indicated constructs using FuGene6 (3 μ l FuGene/2 μ g DNA) according to manufacturer's instructions (Roche, Indianapolis, IN). Co-transfections with a β -galactosidase expression construct (Clontech, San Jose, CA) were used to control for transfection efficiency. Cells were exposed to the FuGene-DNA mix for 16 h, transferred to serum containing medium for 8 h, serum deprived overnight and treated for 24 h

with control medium, BMP-2, recombinant murine gremlin (R&D Pharmaceuticals, Minneapolis, MN) or recombinant human noggin (Regeneron Pharmaceuticals, Tarrytown, NY) and harvested. Luciferase and β -galactosidase activities were measured using an Optocomp luminometer (MGM Instruments, Hamden, CT). Luciferase activity was corrected for β -galactosidase activity to control for transfection efficiency.

Statistical analysis

Results are expressed as means \pm SEM. Statistical significance was determined by ANOVA.

RESULTS

Generation, identification and overall phenotype of gremlin transgenic mice

Two transgenic mouse lines overexpressing gremlin under the control of the rat osteocalcin promoter were generated. Founder #1 carried 20 copies of the transgene and attempts to generate a homozygous offspring were unsuccessful, suggesting that high levels of gremlin expression may compromise viability. However, there was no evidence of heterozygous lethality following heterozygote-wild type matings, which generated the expected Mendelian ratio of 50% heterozygous, 50% wild type offspring. Founder #2 carried 4 to 6 copies of the transgene, and was used to generate a homozygous offspring expressing 8 to 12 copies of the transgene. Endogenous gremlin transcripts (4.5 kb) were expressed in RNA extracted from calvariae of wild type controls at 4.5, 8 and 12 weeks of age (Figure 1A). Gremlin transgene (0.9 kb) was expressed in both transgenic lines (Figure 1B); high levels of the transgene were detected at 4.5 weeks and then declined as the animals aged (Figure 1C), corresponding to the decrease in activity of the rat osteocalcin promoter in older mice (35, 36). Both transgenic lines displayed analogous skeletal phenotypes and transgenic mice from founder #1 were studied in more detail and were used for *in vitro* experiments. Transgenic mice were compared with wild type age-matched controls at 4.5, 8 and 12 weeks of age.

At birth, gremlin overexpressing mice were indistinguishable from wild type controls, but at 1.5-2 weeks of age they appeared smaller. At 4.5 weeks of age, the weight of transgenics was reduced by approximately 35%, a decrease sustained through the 12 weeks of observation (Figure 2A). In accordance with the activity of the osteocalcin promoter in odontoblasts, gremlin overexpression caused tooth fragility (37). Inferior incisors erupted normally, but fractured, so that upper incisors grew unopposed, interfering with mouth occlusion. To avoid

feeding difficulties leading to malnutrition, upper incisors were trimmed weekly, and granular, easily chewable food was administered. Serum albumin levels of gremlin overexpressing mice were not significantly reduced, excluding the presence of severe protein-caloric malnutrition (Figure 2B) (38). The phenotype of gremlin transgenic mice appeared limited to the skeleton, and in both transgenic lines the observed skeletal changes were similar in males and females.

X-rays and bone mineral density

Contact radiography of gremlin transgenics confirmed the reduction in body size and revealed severe osteopenia and the presence of spontaneous fractures, which at 4.5 weeks of age were detected in tibiae and humeri, but not in other bones. Fractures of the tibiae were the most frequent, were often bilateral and noted in virtually all gremlin overexpressing mice (Figure 2C). In accordance with the X-ray findings, gremlin overexpressing mice had significant and sustained decreases in BMC and BMD when compared to wild type controls. At 4.5 to 12 weeks of age, total BMC was 19 to 35% and total BMD was 20% lower in transgenics than in wild type controls (Table 1). The decrease in BMC and BMD was generalized and observed in femoral and vertebral bones. At 4.5 weeks of age, the decrease in transgenic mice was 21 and 32% for femoral and vertebral BMD respectively, an effect that was sustained throughout the 12 week period of study (Table 2).

Static and dynamic histomorphometry

Gremlin overexpression caused a profound distortion of cortical and trabecular bone structure and an inhibition of bone remodeling. The femoral length and mid-diaphysis width of transgenic mice were reduced by about 20% and 50%, respectively, throughout the 12 week

period of study. Femurs from gremlin transgenics exhibited an early increase in cortical width and decrease in trabecular bone volume and number. The cortical bone was characterized by disorganized trabeculae, which appeared to extend into the marrow space in the metaphyseal region. The increased cortical thickness and reduced bone width resulted in a narrowing of the medullary cavity often leading to fusion and distortion of skeletal architecture. At 4.5 weeks of age, histomorphometric analysis of femurs from gremlin transgenic mice revealed a 40% decrease in trabecular bone volume, secondary to a decreased number and thickness of trabeculae (Figures 3A and 4). At 8 and 12 weeks trabecular bone volume was not different between gremlin transgenic and wild type control mice, possibly because of a decline in the activity of the osteocalcin promoter. Gremlin transgenics exhibited a 70% reduction in the number of osteoblasts per trabecular area, indicating a role of gremlin either in the regulation of cell proliferation or survival of cells of the osteoblastic lineage (Figure 4). Although the effect on osteoblast number was sustained, it was less pronounced at 8 and 12 weeks of age. In parallel to the decrease in the number of osteoblasts, an initial decrease of ~50% in the number of osteoclasts was observed indicating, in association with dynamic histomorphometric data, a state of decreased bone remodeling (39, 40).

Fluorescence microscopy of gremlin transgenic mice revealed diffuse broad bands of the fluorescent labels, features characteristic of woven bone (Figure 3B). Mineralization fronts were visible only in a few isolated trabecular and cortical areas, which were used to estimate the mineralizing surface, mineral apposition and bone formation rates. These were reduced significantly in gremlin transgenics at 4.5 to 12 weeks of age (Figure 4). Polarized-light microscopy confirmed the presence of woven bone with an abundance of disorganized and thin collagen bundles and a marked reduction of mature lamellar bone (Figure 3C). Von Kossa

staining failed to reveal appreciable differences in mineral content between gremlin and control mice. At 4.5 weeks of age, gremlin transgenics exhibited a non-statistically significant 16% decrease in the height of the growth plate, and its architecture appeared normal.

To investigate whether the reduction in the number of osteoblasts in gremlin transgenics was secondary to a decrease in cell proliferation, 4.5 week old gremlin transgenic mice and wild type controls were sacrificed 24 h after an intraperitoneal injection of BrdU. The number of BrdU labeled osteoblasts per trabecular area was (means \pm SEM; n = 3) 14.6 ± 4.4 cells/mm² in transgenics, and 32.7 ± 1.3 cells/mm² in wild type controls ($p < 0.001$). There was no detectable difference in the number of apoptotic osteoblasts, as determined by the TUNEL assay in femurs from 4.5 week old gremlin transgenic mice and wild type controls (not shown).

Homozygous gremlin transgenic mice from line #2 and wild type controls were analyzed by static and dynamic histomorphometry at 4.5 weeks of age. Similarly to line #1, gremlin transgenics displayed a decrease in trabecular bone volume, number of osteoblasts and osteoclasts per trabecular area and bone formation rate (Table 3). The increase in cortical thickness and the reduction in mature lamellar bone observed in line #1 were also observed. In accordance with the lower levels of the transgene transcripts in line #2, their skeletal phenotype was less pronounced than in line #1.

Primary stromal cell cultures

To investigate the effect of gremlin on osteoblastic cell replication and function, stromal cells from 4.5 week old transgenic mice and from wild type controls were cultured in differentiation medium in the absence or presence of BMP-2 at 1 nM for 21 days. Stromal cells from gremlin transgenic, but not from wild type mice, expressed the gremlin transgene, as

determined by reverse transcription-PCR. The transgene was expressed 10 days following plating, and its levels were maintained through the 21 days of culture (Figure 5A). Stromal cells from gremlin transgenics and wild type control mice were plated at the same density, but when stromal cells from wild type mice reached confluence (7 days), cultures from gremlin transgenics contained about 2/3 the number of cells. The decrease cellularity was observed prior to the detection of the gremlin transgene *in vitro*, suggesting that it was secondary to previous *in vivo* exposure of the cells to gremlin. As the cultures progressed, those from gremlin transgenics exhibited a 50% decrease in the number of viable cells (Figure 5B). Confirming prior observations, BMP-2 did not cause an increase in cell number in wild type cells and it did not rescue gremlin negative impact on cell proliferation (41). Osteocalcin transcripts were detected in wild type cells at 10 days and they were maintained as the cells formed mineralized nodules. Stromal cells overexpressing gremlin displayed a delay in the expression of osteocalcin mRNA and did not mineralize (Figure 6). The effect of gremlin on mineralized nodule formation was reversed by BMP-2, which stimulated the formation of mineralized nodules at 21 days of culture. BMP-2 caused a modest increase in osteocalcin transcripts, but did not reverse the suppression caused by gremlin overexpression (Figure 6A-B).

To examine the impact of gremlin on osteoclastogenesis, bone marrow stromal cells from gremlin transgenics and wild type control mice were cultured for 6 days in the presence of 10 nM 1,25 dihydroxy Vitamin D₃. Gremlin overexpression led to a 50% reduction in the number of TRAP-positive multinuclear cells from (means \pm SEM; n = 6) 26.8 ± 4.4 cells/well in wild type cultures to 10.8 ± 2.4 cells/well in transgenics ($p < 0.01$).

To explore mechanisms involved in the determination of the phenotype described, stromal cells from transgenic mice were cultured for 10 days and tested for Smad

phosphorylation following treatment with BMP-2 at 1 nM for 20 min. Transgenic cells displayed a decreased response to BMP-2 on Smad 1/5/8 phosphorylation, confirming that gremlin overexpressing cells inhibit BMP signaling (Figure 7A). Gremlin effects were specific to BMP, and stromal cells from transgenic mice displayed normal Smad 2 phosphorylation following treatment with TGF- β at 200 pM for 20 min (Figure 7B) (1). The impact of gremlin on Wnt signaling also was investigated because cerberus, a member of the DAN family with an 85% amino acid homology with gremlin, binds and inhibits Wnt signaling (42). Stromal cells from gremlin transgenics, cultured for 10 days, exhibited a 50% reduction in free cytosolic β -catenin levels when compared to wild type controls, indicating that the Wnt canonical signaling was impaired (Figure 7C).

ST-2 cell cultures

To compare the effects of gremlin and noggin on BMP-2/Smad and on Wnt/ β -catenin signaling, ST-2 cells, a line of murine stromal cells, which differentiate into functional osteoblasts in the presence of BMP-2 was employed (28). ST-2 cells were transiently transfected with the β -catenin responsive construct pTOPFLASH, or its mutant pFOPFLASH, and a Wnt 3 expression vector or a pcDNA3.1 vector control. Eighteen hours after the transfection, cells were treated with gremlin or noggin at 1 to 30 nM for 24 h. Wnt 3 co-transfection increased pTOPFLASH activity by 20 fold, and this effect was inhibited by noggin and gremlin at the doses tested (Figure 8A). These data confirm gremlin down regulation of Wnt activation of the β -catenin canonical pathway, and suggest that this effect is not direct and specific to the gremlin peptide, but possibly associated to the BMP antagonistic activity of noggin and gremlin. As expected, BMP-2 stimulated the activity of the 12xSBE-OC-pGL3

luciferase reporter construct transiently transfected into ST-2 cells by 10 fold, and this effect was blocked equally by gremlin and noggin at the doses tested (Figure 8B).

DISCUSSION

Our findings demonstrate that transgenic mice overexpressing the BMP antagonist gremlin, under the control of the osteocalcin promoter, develop a decrease in body size, tooth fragility, spontaneous fractures, modeling defects of long bones and severe osteopenia. The skeletal phenotype was evident at 4.5 weeks of age, a time of marked expression of the transgene, although bone formation rate and BMD were reduced over the 12 week period of study. Gremlin overexpression altered the trabecular and cortical bone structure leading to a severe distortion of skeletal architecture. Histomorphometric analysis of femurs from gremlin transgenic mice revealed reduced trabecular bone volume in the metaphysis, and poorly mineralized woven bone in the mid-diaphysis. The absence of mature lamellar bone and the presence of disorganized bone could explain the occurrence of spontaneous fractures and the structural distortion.

Osteoblast-targeted gremlin overexpression caused an inhibition of bone formation possibly by different mechanisms. In line with previous work suggesting a role for the rat homologue of gremlin, *drm*, in the regulation of cell growth, gremlin transgenic mice displayed a reduction in the replication of cells of the osteoblastic lineage. In addition to a possible direct effect on cell proliferation, gremlin could have prevented the differentiation of mesenchymal stem cells toward mature osteoblasts by blocking the effects of BMP on surrounding pluripotent mesenchymal cells. Analysis of osteoblast gene markers in bone marrow stromal cell cultures revealed a decrease in osteocalcin transcripts in gremlin overexpressing cells, indicating an inhibition on osteoblastic cell function. Previous results *in vitro* demonstrated that addition of gremlin to primary osteoblasts prevents the stimulatory effects of BMP on alkaline phosphatase and collagen synthesis (18). Consistent with a decrease in functional osteoblasts, osteoclast

number *in vivo* was transiently reduced, and osteoclastogenesis from bone marrow-derived precursor cells *in vitro* was inhibited by 50%. Gremlin overexpression caused, therefore, a generalized decrease in bone remodeling, which could explain the architectural alterations observed in the appendicular skeleton. Femurs from gremlin transgenics were characterized by increased cortical thickness and reduced bone width, which resulted in a narrowing of the medullary cavity often leading to fusion. The rat osteocalcin is active in newborns and seems to be highly efficient at 4 weeks of age, followed by a decline in activity. It is our hypothesis that gremlin overexpression in the first weeks of life could have inhibited periosteal new bone formation and endosteal bone resorption, thus blocking the increase in diameter of the marrow cavity and the transition from immature woven to organized lamellar bone in the growing skeleton.

Gremlin is expressed in osteoblasts and binds and blocks the actions of BMP-2, -4, and -7 which play a key role in the regulation of bone function and fracture repair (43-48). BMP-2, -4, and -7 induce the differentiation of pluripotent marrow stromal cells into osteoblasts and enhance the function of differentiated osteoblastic cells. They stimulate the synthesis of extracellular matrix proteins, downregulate the secretion of matrix metalloproteases, and accelerate the process of bone mineralization (1, 49). Previous work from our laboratory reported that transgenic mice overexpressing the BMP antagonist noggin under the control of the osteocalcin promoter exhibit severe osteopenia, fractures, and a profound decrease in bone formation (19). However, the skeletal phenotypes of gremlin and noggin transgenic mice are not the same. Whereas noggin overexpression causes a severe inhibition of trabecular bone volume, the effect appears to be due primarily to a decrease in osteoblast function and not number. The reasons for the different phenotypes are not immediately apparent since both noggin and gremlin

bind and inhibit the actions of BMP-2, -4 and -7, although noggin binds these BMPs with higher affinity than gremlin (1, 46). Gremlin additional effects, and the only partial rescue of the cellular phenotype by the addition of BMP to stromal cells from gremlin transgenics, would suggest direct actions of gremlin in skeletal cells or activities mediated by interactions with other members of the TGF- β superfamily of peptides. We questioned whether gremlin could alter TGF- β signaling since TGF- β has been shown to increase stromal and osteoblastic cell replication prior to their terminal differentiation (50). However, the action of gremlin appeared to be specific to BMP signaling and marrow stromal cells from gremlin transgenics displayed normal TGF- β induced Smad 2 phosphorylation.

Members of the DAN/Cerberus family of BMP antagonists, such as Cerberus and Coco, inhibit BMP as well as Wnt activities, suggesting additional potential mechanisms of action for this group of BMP antagonists (51). Wnt molecules control diverse developmental processes, cell proliferation and survival and they are critical for osteoblastic differentiation (52-54). Gremlin overexpression in primary stromal cells caused a reduction in free cytosolic β -catenin levels, and the addition of gremlin to ST-2 cells inhibited the Wnt canonical signaling pathway. However, this effect was shared by the specific BMP antagonist noggin, suggesting that it was due to the BMP antagonism of noggin and gremlin. Although extensive interactions have been reported between BMP and Wnt, the hierarchy of their actions in skeletogenesis is not clear (55, 56). BMP-2 upregulates the expression of Wnt 1 and 3 and of the Wnt receptors Frizzled 1 and 9 in marrow stromal cells (57). Smad 4, a signal transducer of the TGF- β superfamily, interacts with β -catenin and BMP-4 activates the expression of lymphoid enhancer binding protein 1, a β -catenin co-activator (58, 59). Additionally, Wnt 3A signaling enhances BMP-2 induction of chondrogenesis in pluripotent mesenchymal cells (58). In the present study, we found that

marrow stromal cells from transgenic mice overexpressing the BMP antagonist gremlin display an inhibition of the Wnt canonical pathway suggesting that BMP signaling is required for Wnt 3 activation and regulation of gene expression. The specific mechanism of action of gremlin remains tentative, and BMP-2 only rescued selected effects of gremlin, indicating possible BMP independent effects.

In conclusion, gremlin inhibits bone formation, causing skeletal architectural changes and severe osteopenia.

ACKNOWLEDGMENTS

The authors thank Drs. Zhenjan Du, Robert Weinstein and Janet Hock for valuable suggestions. The authors thank Ms. Lisa Stadmeyer for technical assistance, and Ms. Nancy Wallach and Ms. Kimberly Starr for secretarial assistance.

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Table 1. Total bone mineral content (BMC, gm), skeletal area (cm²), and bone mineral density (BMD, gm/ cm²) were obtained from 4.5, 8 and 12 week old gremlin transgenic mice and wild type controls. Values are means \pm SEM; n = 6-11. *Significantly different from wild type controls, $p < 0.001$.

| Weeks | BMC | | Skeletal Area | | BMD | |
|-------|------------------|-------------------|---------------|----------------|-------------------|--------------------|
| | Wild Type | Gremlin | Wild Type | Gremlin | Wild Type | Gremlin |
| 4.5 | 0.350 \pm 0.01 | 0.244 \pm 0.02* | 7.7 \pm 0.5 | 6.8 \pm 0.2* | 0.045 \pm 0.002 | 0.036 \pm 0.002* |
| 8 | 0.476 \pm 0.03 | 0.386 \pm 0.02* | 9.1 \pm 0.5 | 8.4 \pm 0.3* | 0.054 \pm 0.001 | 0.042 \pm 0.002* |
| 12 | 0.565 \pm 0.02 | 0.370 \pm 0.03* | 9.2 \pm 0.6 | 7.9 \pm 0.6* | 0.060 \pm 0.001 | 0.047 \pm 0.002* |

Table 2. Bone mineral density (BMD) was obtained from 4.5, 8 and 12 week old gremlin transgenic mice and wild type controls. BMD is expressed as gm/cm² and values are means \pm SEM; n = 6-11 of total, vertebral and femoral BMD. *Significantly different from wild type controls, $p < 0.001$.

| Weeks | Total BMD | | Vertebral BMD | | Femoral BMD | |
|-------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|
| | Wild Type | Gremlin | Wild Type | Gremlin | Wild Type | Gremlin |
| 4.5 | 0.045 \pm 0.002 | 0.036 \pm 0.002* | 0.068 \pm 0.004 | 0.046 \pm 0.004* | 0.049 \pm 0.001 | 0.039 \pm 0.003* |
| 8 | 0.054 \pm 0.001 | 0.042 \pm 0.002* | 0.083 \pm 0.005 | 0.064 \pm 0.006* | 0.060 \pm 0.002 | 0.048 \pm 0.002* |
| 12 | 0.060 \pm 0.001 | 0.047 \pm 0.002* | 0.060 \pm 0.002 | 0.048 \pm 0.002* | 0.089 \pm 0.007 | 0.066 \pm 0.006* |

Table 3. Femoral bone histomorphometry in 4.5 week old gremlin transgenic mice and wild type controls from line #2.

Values are means \pm SEM; n = 6. *Significantly different from wild type controls, $p < 0.05$.

| | Wild type | Gremlin |
|---|--------------------|---------------------|
| Trabecular relative bone volume (%) | 15.4 \pm 0.7 | 11.3 \pm 0.6* |
| Osteoblast surface/bone surface (%) | 17.8 \pm 1.0 | 15.7 \pm 0.9 |
| Number of osteoblasts/trabecular area (mm ²) | 530.4 \pm 31.8 | 338.5 \pm 30.3* |
| Osteoclast surface/bone surface (%) | 7.4 \pm 0.4 | 6.0 \pm 0.4* |
| Number of osteoclasts/trabecular area (mm ²) | 113.9 \pm 8.6 | 76.2 \pm 7.3* |
| Trabecular thickness (μ m) | 15.1 \pm 0.4 | 14.3 \pm 0.6 |
| Trabecular number (per mm) | 10.3 \pm 0.7 | 8.1 \pm 0.8 |
| Trabecular separation (μ m) | 84.7 \pm 6.4 | 113.9 \pm 9.2* |
| Cortical thickness (μ m) | 106.2 \pm 3.5 | 180.4 \pm 10.6* |
| Mineralizing surface/bone surface (%) | 1.8 \pm 0.3 | 1.0 \pm 0.5 |
| Mineral apposition rate (μ m/d) | 0.40 \pm 0.05 | 0.24 \pm 0.03* |
| Bone formation rate (μ m ³ / μ m ² /d) | 0.0072 \pm 0.001 | 0.0038 \pm 0.002* |

Figure 1. Gremlin mRNA expression in calvariae of wild type (WT) mice and relative levels of expression of gremlin transgene mRNA in gremlin transgenic mice (Gr) and wild type controls. To determine the expression of gremlin in wild type calvariae, total RNA was extracted from calvariae of 4.5, 8 and 12 week old wild type mice (Panel A). To determine the expression of the gremlin transgene, total RNA was extracted from calvariae of 4.5 week old heterozygous gremlin transgenic mice from line #1 and of homozygous gremlin transgenic mice from line #2 (Panel B) or from line #1 transgenic mice and wild type controls at 4.5, 8 and 12 weeks of age (Panel C). RNA was resolved by Northern blot analysis and hybridized with [α - 32 P]-labeled human gremlin and mouse 18S cDNAs.

Figure 2. Gremlin overexpression leads to a decrease of body weight through a 12 week period of study and causes spontaneous fractures. The weight of gremlin transgenic mice (white squares) and wild type (WT) controls (black squares) was analyzed from 3 to 12 weeks. Values are means \pm SEM; n = 6-12 (Panel A). *Significantly different from wild type controls, $p < 0.05$. **Significantly different from wild type controls, $p < 0.001$. Serum albumin levels were measured in gremlin transgenic mice (white bars) and wild type controls (black bars) at 4.5 to 12 weeks of age. Values are means \pm SEM; n = 3 (Panel B). A representative skeletal radiograph demonstrates a fracture in a 4.5 week old gremlin transgenic mouse (arrowhead) (Panel C).

Figure 3. Gremlin overexpression affects cortical and trabecular bone, inhibits bone formation and causes woven bone. Histological sections from 4.5 week old gremlin transgenic mice and wild type (WT) controls were stained with toluidine blue (Panel A). Final magnification 40x. Sections from 4.5 week old gremlin transgenics and wild type controls, given sequential injections of calcein and demeclocycline (indicated by the arrows) were visualized by fluorescence microscopy (Panel B) or by polarized light microscopy (Panels C). Final magnification 100x.

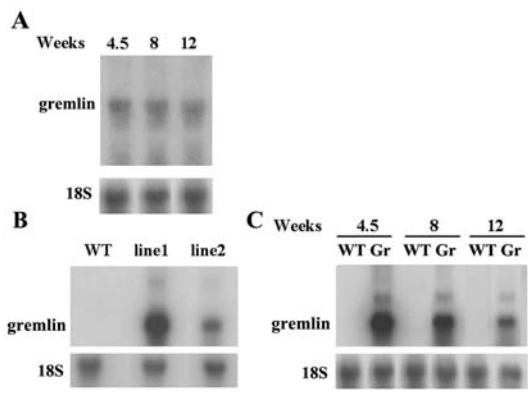
Figure 4. Gremlin overexpression increases cortical width (C.Wh), decreases trabecular bone volume (BV/TV) and trabecular number (TrN.Ar), and reduces the number of osteoblasts (ObN/T.Ar) and osteoclasts (OcN/T.Ar) per trabecular area, mineralizing surface per bone surface (MS/BS), mineral apposition rate (MAR) and bone formation rate (BFR). Bone histomorphometry was performed on femurs from 4.5, 8 and 12 week old gremlin transgenic mice (white bars) and wild type (WT) controls (black bars). For static histomorphometry, sections were stained with toluidine blue. For dynamic histomorphometry, unstained sections were analyzed by fluorescence microscopy. Values are means \pm SEM; n = 6-11. *Significantly different from wild type controls, $p < 0.05$, **Significantly different from wild type controls, $p < 0.001$.

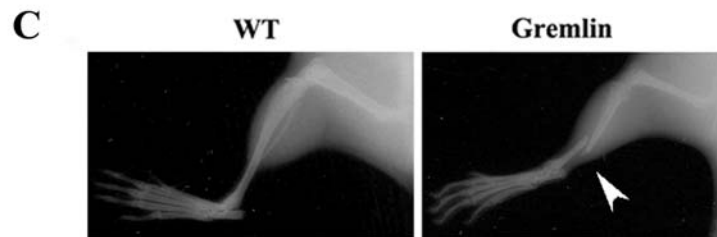
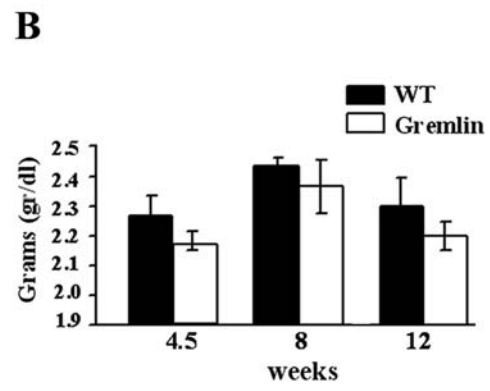
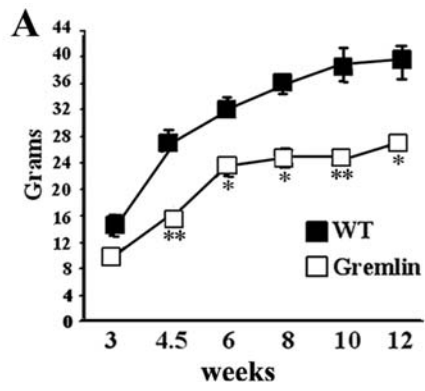
Figure 5. Gremlin overexpression reduces the number of viable cells. Bone marrow stromal cells from 4.5 week old gremlin transgenic mice (Gr) and from wild type (WT) controls were isolated, plated at equal density (day 0), and 7 days after they were switched to differentiation medium. In Panel A, cells were cultured in the absence of BMP, and total RNA was extracted at the indicated days, 2 μg were reverse-transcribed and 0.1 μg were amplified by PCR with specific primers for gremlin transgene (700 bp) and 18S (79 bp) in the presence of [α - ^{32}P]-dCTP. RT-PCR is representative of three cultures. In Panel B, cells from wild type and from transgenics were cultured continuously in the absence (\diamond wild type, \square gremlin) or presence (\blacktriangle wild type, \bullet gremlin) of BMP-2 at 1 nM started 7 days after plating. Cell number was determined in trypsinized cellular extracts and it is expressed as total viable cells per well. Values are means \pm SEM; n = 5. The experiment was performed twice with analogous results. *Significantly different from wild type controls, $p < 0.05$. **Significantly different from wild type controls, $p < 0.001$.

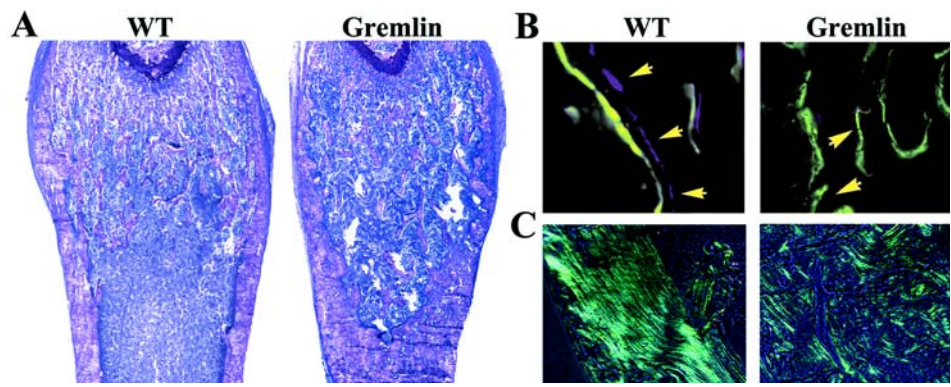
Figure 6. Gremlin overexpression inhibits osteoblastogenesis. Bone marrow stromal cells from 4.5 week old gremlin (Gr) transgenic mice and from wild type (WT) controls were plated (day 0), and 7 days after they were switched to differentiation medium in the absence (-) or presence (+) of BMP-2 at 1 nM. In Panel A, cells were stained at the indicated times with alizarin red to estimate mineralized nodule formation. In Panel B, total RNA was extracted, 2 μ g were reverse-transcribed and 0.1 μ g were amplified by PCR with specific primers for osteocalcin (Oc, 219 bp), and 18S (79 bp) in the presence of [α -³²P]-dCTP. RT-PCR is representative of three cultures.

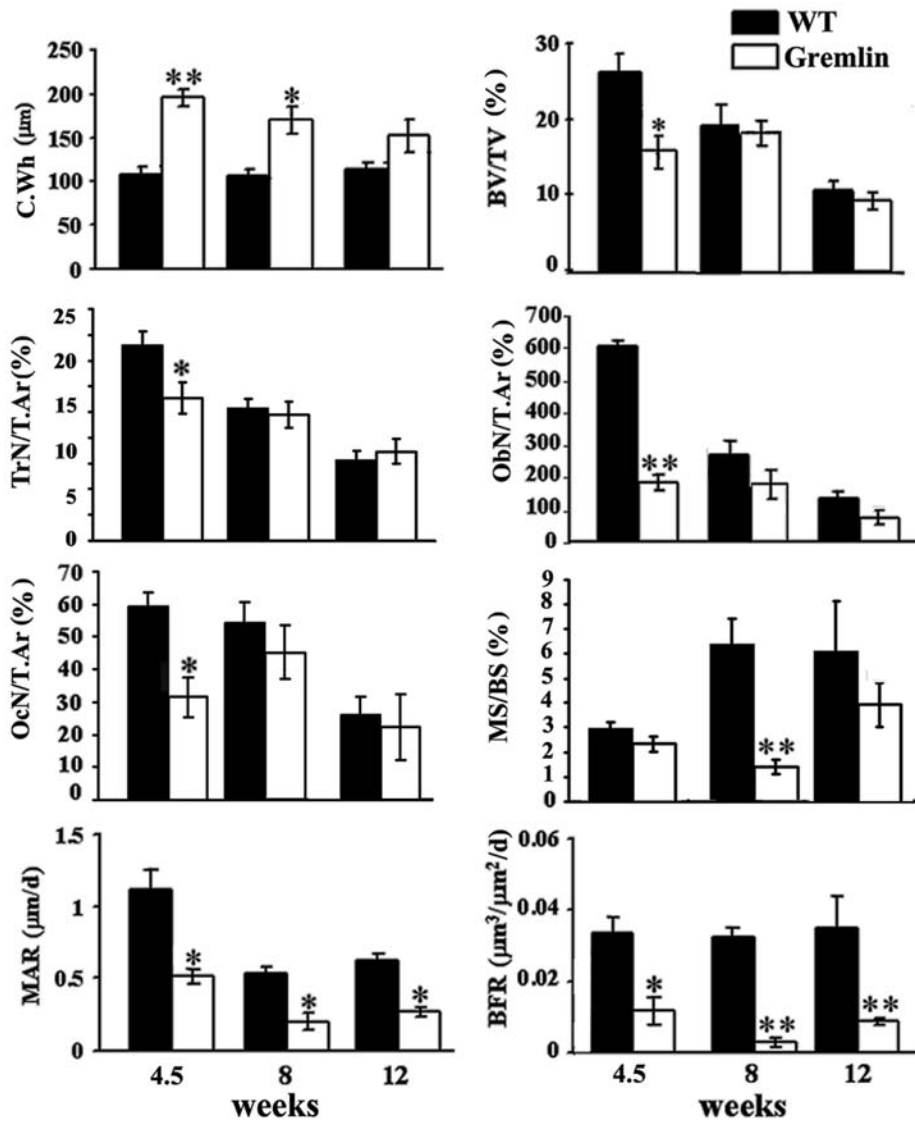
Figure 7. Gremlin overexpression causes a reduced response to BMP on Smad 1/5/8 phosphorylation, but not to TGF- β on Smad 2 phosphorylation and causes decreased levels of free cytosolic β -catenin. Bone marrow stromal cells from 4.5 week old gremlin transgenic mice (Gr) and wild type control (WT) were cultured, and 7 days after plating they were switched to differentiation medium. Ten days after plating cells were serum deprived overnight. For Smad phosphorylation, cells were tested with BMP-2 at 1 nM or TGF- β at 200 pM for 20 min. Total cellular extracts were processed for Western Immunoblot analysis and exposed to an antibody to phospho-Smad 1/5/8 or to phospho-Smad 2. Membranes were also incubated with antibodies to unphosphorylated Smad 5 and 2 to control for protein loading (Panels A and B). For determination of cytosolic β -catenin levels, total cytosolic extracts were resolved by Western Immunoblot analysis and exposed to an antibody to free β -catenin or to an antibody to β -actin to control for protein loading (Panel C). The graph represents fold changes of gremlin stromal cultures/wild type. Values are means \pm SEM; n = 3 (Panel D). *Significantly different from wild type, $p < 0.05$.

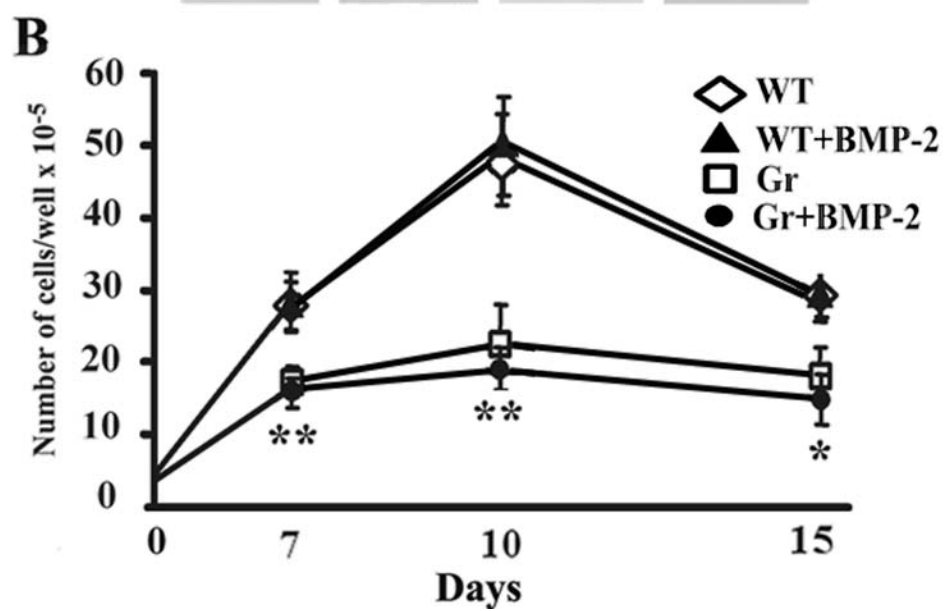
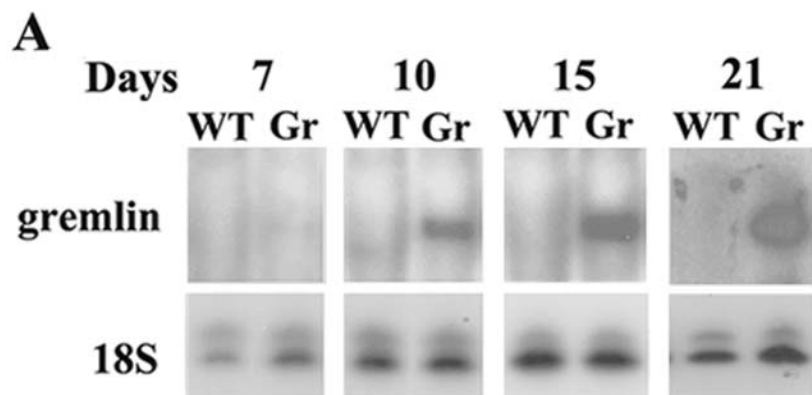
Figure 8. Gremlin and noggin inhibit Wnt/ β -catenin and BMP/Smad signaling. In Panel A, subconfluent cultures of ST-2 cells were transiently co-transfected with pTOPFLASH or its mutant pFOPFLASH and a CMV- β -galactosidase expression construct. Where indicated, pcDNA3.1 (white bars) or Wnt 3 (grey bars) expression constructs were added to the transfection mix. Sixteen hours after the transfection, cells were serum deprived overnight and treated with gremlin (1-30 nM) or noggin (1-30 nM) for 24 h. In Panel B, subconfluent ST-2 cells were transiently co-transfected with a 12xSBE-Oc-pGL3 or pGL3 (not shown) and a CMV- β -galactosidase expression construct. Sixteen hours after the transfection, cells were serum deprived overnight and switched to control medium (white bars) or BMP-2 at 1 nM (grey bars) in the absence or presence of gremlin (1-30 nM) or noggin (1-30 nM). Data shown represent luciferase/ β -galactosidase activity and are means \pm SEM; n = 4-6 observations. *Significantly different from Wnt 3 (Panel A) or BMP-2 (Panel B), $p < 0.001$.

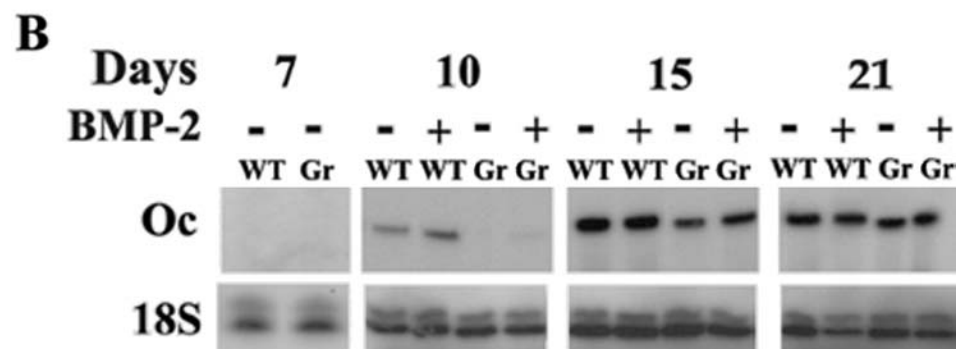
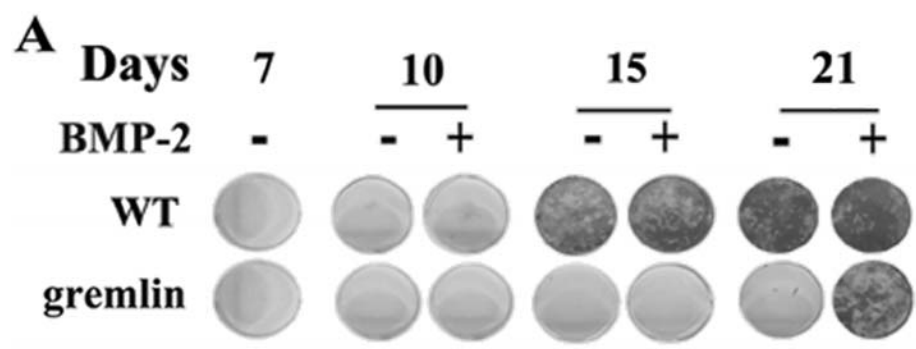


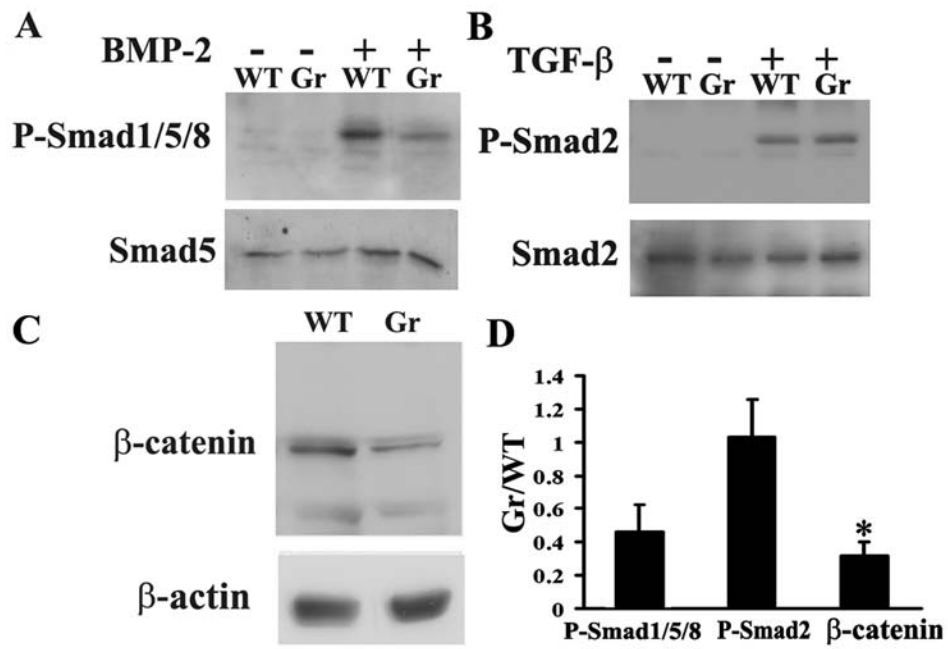


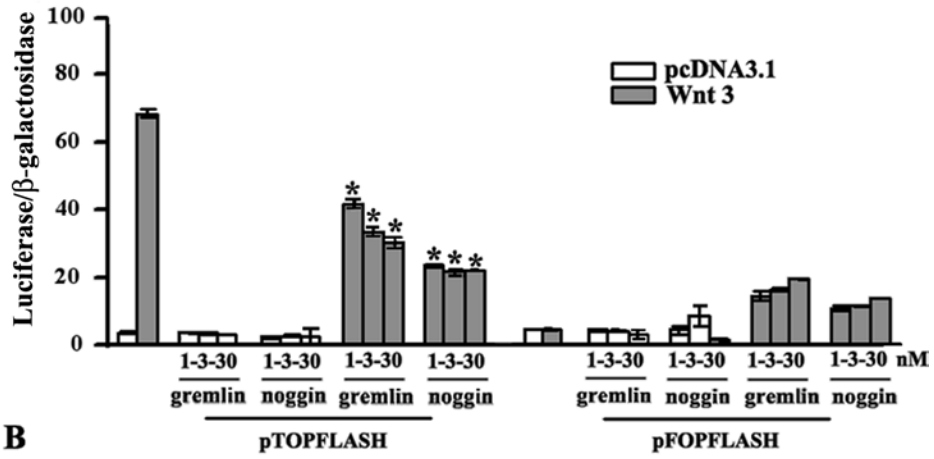










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