Gli3 acts as a repressor downstream of Ihh in regulating two distinct steps of chondrocyte differentiation

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Summary
During endochondral ossification, the secreted growth factor Indian hedgehog (Ihh) regulates several differentiation steps. It interacts with a second secreted factor, parathyroid hormone-related protein (PTHrP), to regulate the onset of hypertrophic differentiation, and it regulates chondrocyte proliferation and ossification of the perichondrium independently of PTHrP. To investigate how the Ihh signal is translated in the different target tissues, we analyzed the role of the zinc-finger transcription factor Gli3, which acts downstream of Ihh in regulating two target genes patched (Ptc1) and PTHrP is reactivated in Ihh−/−;Gli3−/− mutants. Furthermore the expression of the Ihh target genes patched (Ptc1) and PTHrP is reactivated in Ihh−/−;Gli3−/− mutants. Gli3 seems thus to act as a strong repressor of Ihh signals in regulating chondrocyte differentiation. In addition, loss of Gli3 in mice that overexpress Ihh in chondrocytes accelerates the onset of hypertrophic differentiation by reducing the domain and possibly the level of PTHrP expression.

Careful analysis of chondrocyte differentiation in Gli3−/− mutants revealed that Gli3 negatively regulates the differentiation of distal, low proliferating chondrocytes into columnar, high proliferating cells. Our results suggest a model in which the Ihh/Gli3 system regulates two distinct steps of chondrocyte differentiation: (1) the switch from distal into columnar chondrocytes is repressed by Gli3 in a PTHrP-independent mechanism; (2) the transition from proliferating into hypertrophic chondrocytes is regulated by Gli3-dependent expression of PTHrP. Furthermore, by regulating distal chondrocyte differentiation, Gli3 seems to position the domain of PTHrP expression.

Key words: Indian hedgehog (Ihh), Gli3, Gli2, Gli1, PTHrP (Pthlh), Chondrocyte, Cartilage, Bone

Introduction
Endochondral ossification is a multistep process, which starts with the formation of a cartilage template. Chondrocytes in the cartilage anlagen initially proliferate and undergo several steps of differentiation into terminal hypertrophic cells, which are subsequently replaced by bone. In the mouse embryonic long bones after E14.5, the spatial organization of distinct chondrocyte types reflects temporal development. From distal to central the following cell types can be distinguished: low proliferating, round chondrocytes expressing fibroblast growth factor receptor 1 (Fgfr1), high proliferating, columnar chondrocytes expressing Fgfr3, early hypertrophic chondrocytes expressing Indian hedgehog (Ihh) and Fgfr3, hypertrophic chondrocytes expressing procollagen type X α1 (Col10a1) and terminal hypertrophic chondrocytes expressing matrix metalloproteinase 13 (Mmp13) (Minina et al., 2005). A fibroblastic tissue, the perichondrium, surrounds the cartilage anlagen. In parallel to the onset of hypertrophic differentiation, cells in the perichondrium flanking the hypertrophic region differentiate into bone producing osteoblasts. Subsequently, blood vessels and osteoblasts from the newly formed bone start to invade the terminal hypertrophic region and to replace cartilage by bone and bone marrow (Eblebacher et al., 1995).

Ihh is one of the key regulators of endochondral ossification controlling at least three distinct differentiation steps. (1) To regulate the onset of hypertrophic differentiation, Ihh interacts with a second secreted growth factor, Parathyroid hormone related protein (PTHrP; Pthlh – Mouse Genome Informatics). Ihh signals to the distal perichondrial chondrocytes to upregulate the expression of PTHrP. PTHrP in turn signals back to the proliferating chondrocytes and inhibits the differentiation of proliferating cells into the Ihh expressing early hypertrophic cell type. (2) In addition, Ihh regulates chondrocyte proliferation and (3) induces the ossification of the perichondrium in PTHrP independent mechanisms (Kronenberg, 2003).

Whereas the regulation of chondrocyte proliferation and the ossification process can be explained by Ihh acting on neighboring tissues, it has been an open question as to how the Ihh signal reaches the joint region to induce the expression of PTHrP. Initially, secondary factors have been hypothesized to mediate the Ihh signal. Recent analyses of mice carrying a hypomorphic allele of exostosin 1 (Ext1), a glycosyltransferase necessary for the synthesis of heparan sulfate (HS), have,
The N-terminal (Nt) transcriptional repressor domain of Gli genes is expressed in an inverse gradient from dorsal to ventral flanking the expression domain of Shh. In the absence of Hh signaling, phosphorylation and thus proteolytic processing is blocked and full length Ci protein acts as a transcriptional activator of Hh target genes (Aza-Blanc et al., 2000; Price and Kalderon, 2002).

In vertebrates three Ci homologues have been identified: Gli1, Gli2 and Gli3. Biochemical investigations indicate that, similar to Ci, Gli2 and Gli3 can be proteolytically processed into a truncated N-terminal repressor protein of 75 kDa containing the zinc fingers, which inhibits the expression of Hh target genes. Upon Hh signaling, phosphorylation and thus proteolytic processing is blocked and full length Ci protein acts as a transcriptional activator of Hh target genes (Aza-Blanc et al., 1997; Chen et al., 1998; Jia et al., 2002; Methot and Basler, 2001; Price and Kalderon, 2002).

The role of Gli genes in vertebrates has been mainly analyzed in relation to sonic hedgehog (Shh) signaling. In the neural tube, Shh signaling from the floor plate controls the differentiation of six classes of neurons in a concentration-dependent manner. Gli1 and Gli2 are expressed in a gradient from ventral to dorsal flanking the expression domain of Shh. In contrast Gli3 is expressed in an inverse gradient from dorsal to ventral. Gain- and loss-of-function experiments carried out in different laboratories have revealed complex, overlapping functions of these transcription factors: Gli3 seems to act mainly as a repressor of Shh target genes, whereas Gli2 and Gli3 functions of these transcription factors: Gli3 seems to act mainly as an activator (Jacob and Briscoe, 2003).

To further understand Ihh signaling it is important to investigate how the signal is translated in the different skeletal target tissues. The molecular mechanism of hedgehog signaling has been best analyzed in Drosophila. In short, in the receiving cells, Hedgehog (Hh) is bound by a receptor complex consisting of the 12-transmembrane receptor Patched (Ptc) and the 7-transmembrane receptor Smoothened (Smo). Binding of Hh to Ptc releases the repression of Smo, which, via a complex signaling cascade, alters the activity of the zinc finger transcription factor Cubitus interruptus (Ci) (Lum and Beachy, 2004). Ci belongs to the Gli family of transcription factors. These proteins contain a domain of five conserved zinc fingers of the C2H2 type and a conserved C-terminal transcription activation domain. In the absence of Hh signals the 155 kDa Ci protein is phosphorylated and proteolytically processed into a truncated N-terminal repressor protein of 75 kDa containing the zinc fingers, which inhibits the expression of Hh target genes. Upon Hh signaling, phosphorylation and thus proteolytic processing is blocked and full length Ci protein acts as a transcriptional activator of Hh target genes (Aza-Blanc et al., 1997; Chen et al., 1998; Jia et al., 2002; Methot and Basler, 2001; Price and Kalderon, 2002).

Mutations in vertebrate Gli genes result in a range of different phenotypes, however the process of endochondral ossification is only mildly affected (Hui and Joyner, 1993; Mo et al., 1997; Park et al., 2000; Schimmang et al., 1992). Whereas no bone phenotype has been detected in Gli1–/– mutants, loss of Gli2 or Gli3 results in a slight reduction in bone length. Analysis of Gli2–/–Gli3–/– compound mutants revealed a more severe phenotype indicating functional redundancy of Gli2 and Gli3 in controlling endochondral bone formation (Mo et al., 1997).

To obtain insights into the function of the Gli transcription factors downstream of Ihh signaling, we investigated the role of Gli3 in regulating chondrocyte differentiation. Our analysis revealed that in the absence of Ihh signaling Gli3 acts as a strong repressor, negatively controlling chondrocyte proliferation and inhibiting the expression of the two Ihh target genes, Ptc (Ptc1 – Mouse Genome Informatics) and PThrP.

Materials and methods

Transgenic mice

Ihh and Gli3-XtJ (Gli3) mutant mice were maintained as heterozygous stocks and crossed to generate different mutant combinations. Col2a1-Ihh embryos were obtained by intercrossing Col2a1-Gal4 with UAS-Ihh mice (Long et al., 2001). For genotyping, PCR was performed on genomic tail DNA: Gli3-XtJ mice (XtJ-AAAACCCGGTGGCT-CAGCACAAG-3’; XtJ-TACCCCGAGAACGAGCTCAGATTAG-3’; C3-5-GTTGGCTGCTGTCAAGACTGAC-3’; C3-5-GGC-CACACATCAACACACATA-3’; Ihh-deficient mice (neo5’-TACCCGGTATACGCCGAGTTCG-3’; fw5’-AGGGGACCG-ACGATGATAGGGT-3’; rv5’-TGTCCTGTCGCTCCGGA-3’); Col2a1-Gal4 mice (fw5’-CTTCTATCGAAAAGACTCG-3’; Col2a1-Gal4 mice (fw5’-GCCACACTCTATCCA-3’; Col10a1-Gal4 mice (fw5’-GCCCTGGCGGGCGCAGCAG-3’; Col10a1-Gal4 mice (fw5’-GCCCTGGCGGGCGCAGCAG-3’). Wild-type mice (NMRI) were obtained from Charles River (Germany).

Histology

Paraformaldehyde-fixed tissue was embedded in paraffin wax and stained with Hematoxylin and Eosin (H&E), Toluidine Blue (TB) or mineralized cartilage and bone, limbs were stained with 1% silver nitrate according to the method of van Kossa, and counterstained with nuclear fast red.

In situ hybridization analysis

Embryonic limbs were fixed overnight in 4% paraformaldehyde at 4°C and embedded in paraffin wax. Serial sections of 5 μm were processed for radioactive in situ hybridization using [35S]UTP-labeled antisense riboprobes. Hybridization was carried out at 70°C in 50% formamide as previously described (Minina et al., 2002). Sections were counterstained with Toluidine Blue. Probes for in situ hybridization were as follows: Col10a1 (Minina et al., 2001), Ihh (Bitgood and McMahon, 1995), Ptc (Goodrich et al., 1996), PThrP.
In addition, chondrocytes of Ihh/H9251 (hypertrophic cells expressing procollagen type II Col10a1 resulting skeletal elements thus display a central, but starts in their center spreading into all directions. The perpendicular to the longitudinal axis of the cartilage elements differentiation and lack of ossification in endochondral bones. chondrocyte proliferation, an accelerated onset of hypertrophic deficiency mice are characterized by severely reduced examined the genetic interaction between Ihh and Gli3. represses Ihh target genes during endochondral ossification, we loss of any single Gli gene does not result in an obvious bone phenotype. As Gli3 has been shown to act as a strong repressor individual and redundant functions in transducing the Ihh signal.

Results

Expression pattern of the Gli genes in the developing bone

To gain insight into the function of Gli1, Gli2 and Gli3 acting downstream of Ihh, we analyzed their expression in relation to that of Ihh and PTHrP in the developing cartilage anlagen at embryonic stage 14.5 (E14.5) and E16.5. At both stages the three genes are expressed in the perichondrium surrounding the skeletal elements and in proliferating chondrocytes distal to the Ihh expression domain. At E16.5, Gli1 is expressed uniformly in proliferating chondrocytes, whereas Gli2 and Gli3 expression is strongest in the distal ends of the skeletal elements, overlapping with the expression of PTHrP, and weaker towards the Ihh expression domain. In addition strong Gli3 expression can be detected in the joint regions and in mesenchymal cells surrounding the carpals. Furthermore at E16.5 Gli1, Gli2 and Gli3 are expressed in the newly formed bone (Fig. 1). In summary, the overlapping but distinct expression domains of these transcription factors suggest individual and redundant functions in transducing the Ihh signal.

Gli3 acts as a repressor downstream of Ihh during endochondral ossification

Loss of any single Gli gene does not result in an obvious bone phenotype. As Gli3 has been shown to act as a strong repressor of Shh target genes, we decided to focus our analysis on this transcription factor. To determine, whether Gli3 similarly represses Ihh target genes during endochondral ossification, we examined the genetic interaction between Ihh and Gli3. Ihh-deficient mice are characterized by severely reduced chondrocyte proliferation, an accelerated onset of hypertrophic differentiation and lack of ossification in endochondral bones. Furthermore, hypertrophic differentiation is not initiated perpendicular to the longitudinal axis of the cartilage elements but starts in their center spreading into all directions. The resulting skeletal elements thus display a central, Col10a1-expressing hypertrophic region that is surrounded by non-hypertrophic cells expressing procollagen type II α1 (Col2α1). In addition, chondrocytes of Ihh-deficient mice fail to express PTHrP and Ptc (Karp et al., 2000; St-Jacques et al., 1999). In contrast Gli3-deficient mice display only a mild endochondral ossification phenotype with a slight delay in the overall differentiation process (Mo et al., 1997).

To investigate the role of Gli3 as a transcription factor downstream of Ihh signaling, we compared forelimbs of Ihh<sup>−/−</sup>;Gli3<sup>−/−</sup> double mutants to those of Ihh<sup>−/−</sup> mice at E14.5 and E16.5 (Fig. 2 and data not shown). Morphologically, Ihh<sup>−/−</sup>;Gli3<sup>−/−</sup> mice have considerably larger cartilage elements and a delay in the onset of hypertrophic differentiation compared to Ihh-deficient mutants (Fig. 2A-C). Interestingly, whereas Ihh<sup>−/−</sup> mice display no distinctive regions of columnar chondrocytes, morphology and orientation of proliferating chondrocytes are restored in double mutants, with small round cells in the distal ends and columnar cells towards the center of the cartilage anlagen (Fig. 2D-L).

To test if the increased size of the cartilage elements in Ihh<sup>−/−</sup>;Gli3<sup>−/−</sup> mutants results from an increased rate of chondrocyte proliferation we performed BrdU labeling in wild-type, Ihh<sup>−/−</sup> and Ihh<sup>−/−</sup>;Gli3<sup>−/−</sup> double mutant mice. Consistent
with previous investigations (St-Jacques et al., 1999), the proliferation rate in \(Ihh^{-/-}\) mutants is severely reduced throughout the cartilage anlagen at E16.5. Strikingly, additional loss of \(Gli3\) dramatically increases the number of BrdU-positive chondrocytes (Fig. 2M-O).

On the molecular level, the expression of the hypertrophic marker \(Col10a1\), which is expressed throughout the cartilage anlagen in \(Ihh^{+/+}\) mice, is restricted to the center of the cartilage elements in \(Ihh^{-/-};Gli3^{-/-}\) mice. The \(Col10a1\)-expressing hypertrophic cells are flanked by distinct domains of non-hypertrophic chondrocytes on either side. Remarkably, the onset of hypertrophic differentiation occurs perpendicular to the longitudinal axis of the bone (Fig. 3A-C). As \(Gli3\) seems to act as a strong repressor downstream of \(Ihh\) in proliferating cells, we analyzed the expression of the \(Ihh\) target genes \(Ptc1\) and \(Gli1\), which are not expressed in \(Ihh^{-/-}\) mutants. We found low, but significant, levels of \(Ptc1\) expression throughout the proliferating chondrocytes in \(Ihh^{-/-};Gli3^{-/-}\) double mutants (Fig. 3D-F). In contrast, \(Gli1\) is not expressed in \(Ihh^{-/-};Gli3^{-/-}\) mutants (Fig. 3G-I), suggesting that, as in the neural tube, activation of \(Gli1\) transcription depends on an activating \(Ihh\) signal.

The onset of hypertrophic differentiation is regulated by \(Ihh\)-dependent \(PTHrP\) expression. Consequently, no expression of \(PTHrP\) can be detected in \(Ihh^{-/-}\) mutants. In contrast, in \(Ihh^{-/-};Gli3^{-/-}\) mutants \(PTHrP\) is expressed in the perichondrium and the joint region (Fig. 3J-L). However, no \(PTHrP\) expression can be detected in the distal chondrocytes.

In summary, loss of \(Gli3\) function rescues the chondrocyte phenotype of \(Ihh^{-/-}\) mice to a significant degree, suggesting that \(Gli3\) acts as a strong repressor of \(Ihh\) target genes.

**Loss of \(Gli3\) does not rescue bone collar formation in \(Ihh\)-deficient mice**

Another important role of \(Ihh\) is the induction of the ossification process in the perichondrium (Long et al., 2004; Long et al., 2001; St-Jacques et al., 1999). In wild-type limbs the bone collar forms adjacent to the prehypertrophic and hypertrophic chondrocytes. We performed van Kossa staining to analyze matrix mineralization and bone collar formation in skeletal elements of \(Ihh^{-/-}\) and \(Ihh^{-/-};Gli3^{-/-}\) mutants. Although in \(Ihh^{-/-}\) mutants hypertrophic differentiation is accelerated, perichondrial cells do not develop into osteoblasts. In \(Ihh^{-/-};Gli3^{-/-}\) mutants hypertrophic chondrocytes in the center of the skeletal elements are mineralized, however, no bone collar is formed surrounding the hypertrophic cells. Instead bone collar-like structures are found intermittently in areas adjacent to the mineralized region (Fig. 2P-U). Loss of \(Gli3\) is thus not sufficient to rescue perichondrial ossification.

**\(Gli3\) mutant mice display reduced zones of proliferating chondrocytes**

Given our demonstration that \(Gli3\) is an important effector molecule of \(Ihh\) in regulating chondrogenesis, we carefully analyzed chondrocyte differentiation in \(Gli3^{-/-}\) mice using a panel of chondrocyte differentiation markers. At E14.5 and E16.5 the skeletal
elements of Gli3–/– mutants are shorter than those of wild-type mice (92%, n=6, P=0.0036; Table S1A in supplementary material, and data not shown) and the zone of ossification in their center is reduced (Fig. 4A,B). Hybridization with Ihh and Col10a1 revealed normal regions of hypertrophic cells in Gli3–/– limbs (Fig. 4A-D). In Ihh–/–;Gli3–/– deficient mice Col10a1 expression is restricted to the center of the skeletal elements, indicating a delayed onset of hypertrophic chondrocyte differentiation compared to Ihh–/– mice. (E,H,K) The Ihh target genes Ptc1, Gli1 and PTHrP are not expressed in Ihh–/– mice. (F,I,L) In Ihh–/–;Gli3–/– limbs the expression of Ptc1 and PTHrP, but not Gli1, is partially rescued. (F) Ptc1 is weakly expressed in proliferating chondrocytes. (J,L) PTHrP expression can be detected in the perichondrium (red arrow) and in the carpal joints (green arrowhead). No PTHrP expression can be detected in the distal chondrocytes (yellow arrowhead).

Fig. 4. Gli3–/– limbs are delayed in endochondral ossification. Serial sections of E16.5 wild-type (A,C,E,) and Gli3–/– (B,D,F) limbs were hybridized with riboprobes as indicated. (A-D) Expression of Ihh and Col10a1 reveals normal regions of prehypertrophic and hypertrophic chondrocytes. (A,B) The overall size of the radius in wild-type mice (light-green bar) is reduced in Gli3–/– mutants (dark-green bar, P=0.0036), and the ossification is slightly delayed (compare dark- and light-blue double-headed arrows in wild-type and Gli3–/– limbs, respectively). (E,F) The expression of Ptc1 is unchanged in Gli3–/– limbs.

Fig. 3. Molecular characterization of Ihh–/–;Gli3–/– limbs. Serial sections of E16.5 wild-type (A,D,G,J), Ihh–/– (B,E,H,K) and Ihh–/–;Gli3–/– limbs (C,F,L2) were hybridized with riboprobes as indicated. (B) In Ihh–/–;Gli3–/– deficient mice Col10a1 expression is restricted to the center of the skeletal elements, indicating a delayed onset of hypertrophic chondrocyte differentiation compared to Ihh–/– mice. (E,H,K) The Ihh target genes Ptc1, Gli1 and PTHrP are not expressed in Ihh–/– mice. (F,I,L) In Ihh–/–;Gli3–/– limbs the expression of Ptc1 and PTHrP, but not Gli1, is partially rescued. (F) Ptc1 is weakly expressed in proliferating chondrocytes. (J,L) PTHrP expression can be detected in the perichondrium (red arrow) and in the carpal joints (green arrowhead). No PTHrP expression can be detected in the distal chondrocytes (yellow arrowhead).
D). Similarly no alteration in the expression level and domain of \textit{Ptch} and \textit{Gli1}, the direct targets of Ihh signaling, could be detected (Fig. 4E,F and data not shown).

The onset of hypertrophic differentiation is controlled by the interaction between Ihh and PTHrP and can be monitored by measuring the distance between the distal border of the \textit{Ihh} expression domain and the end of the skeletal element (Kronenberg, 2003). A reduced zone of proliferating chondrocytes indicates an accelerated onset of hypertrophic differentiation, whereas an increased region indicates a delay in this differentiation step. Interestingly, we found a reduced zone of proliferating chondrocytes in skeletal elements of \textit{Gli3}–/– limbs, indicating an accelerated onset of hypertrophic differentiation (88%, \(n=6\), \(P=0.00001\); Fig. 5A-C). Importantly, this reduction in size is even significant if related to the overall size of the skeletal elements (92%, \(n=6\), \(P=0.02\); Table S1A in supplementary material).

As PTHrP is the effective regulator of hypertrophic chondrocyte differentiation downstream of Ihh, we next analyzed the expression of PTHrP. In wild-type mice PTHrP is expressed in the most distal chondrocytes at E14.5 whereas at E16.5 its expression domain has shifted towards the center of the cartilage anlagen. At this stage the most distally located chondrocytes have ceased to express PTHrP (Fig. 5D). In \textit{Gli3}–/– mice we did not detect an obvious downregulation of the level of PTHrP expression. Instead we found that the shift of the expression domain has not occurred at E16.5 (Fig. 5E).

As the PTHrP expression

\begin{figure}[h]
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\caption{Gli3 regulates distal chondrocyte differentiation. Two sets of serial sections, A,B,D,E and G,H,I,K, of E16.5 wild-type (A,D,G,J) and \textit{Gli3}–/– (B,E,H,K) limbs were hybridized with riboprobes as indicated. Red dashed lines indicate the distal border of the \textit{Ihh} expression domain. (C,F,I,L) Models of gene expression domains. (A-C) \textit{Gli3}–/– mice display a reduced zone of proliferating chondrocytes compared to wild-type mice (red arrow). (D-F) PTHrP is expressed at similar levels in \textit{Gli3}–/– and wild-type limbs, however its domain of expression is shifted towards the distal end of the cartilage anlagen in \textit{Gli3}–/– limbs. (G-L) In \textit{Gli3}–/– limbs the Fgfr1 expression domain (G-I) is reduced (green arrow) and the Fgfr3 expression domain (J-L) is shifted towards the end of the skeletal elements (blue arrow), indicating an accelerated differentiation of distal chondrocytes. (M) The zone of proliferating chondrocytes (red arrow in A-C) is shortened in \textit{Gli3}–/– limbs (\(*\*\*P=0.00003, n=6\)). The PTHrP-expressing zone of distal chondrocytes (yellow arrow in D-F) is reduced in \textit{Gli3}–/– limbs (\(*P=0.00008, n=6\)). The distance between the \textit{Ihh} expression domain and the central end of the PTHrP expression domain (gray arrow in D-F) is of similar size in both, \textit{Gli3}–/– and wild-type limbs (\(*\*P=0.304, n=6\)). (N) The zone of Fgfr3-expressing distal chondrocytes (green arrow in G-I) is reduced in \textit{Gli3}–/– mice (\(*P=0.0002, n=5\)), whereas the zone of Fgfr3 expression (blue arrow in J-L) is of similar size (\(*\*P=0.19, n=5\)).}
\end{figure}
domain is restricted to the most distal cells in Gli3+/+ mice we reinvestigated the onset of hypertrophic differentiation by analyzing the distance between the central end of the PTHrP expression domain and the distal end of the Ihh expression domain. We found a similar distance in Gli3−/− and wild-type mice, indicating that the onset of hypertrophic differentiation is not accelerated if compared with the source of its regulator, PTHrP (Fig. 5M, n=6, P=0.3; Table S1A in supplementary material). By contrast, the distance between the central side of the PTHrP expression domain and the distal end of the skeletal elements is significantly reduced in Gli3−/− mutants compared to wild-type mice (Fig. 5M, 71%, n=6, P=0.0001; Table S1A in supplementary material).

**Gli3 controls the transition from distal to columnar chondrocytes**

We next asked if Gli3 specifically regulates the expression of PTHrP or if it acts as a general regulator of distal chondrocyte differentiation. The region of proliferating chondrocytes can be subdivided into a distal zone of low proliferating, round chondrocytes expressing Fgfr1, and a central zone of high proliferating, columnar chondrocytes, expressing Fgfr3. To characterize the differentiation of distal chondrocytes in Gli3−/− mutants, we analyzed the expression of Fgfr1 and Fgfr3 (Fig. 5G-L). Interestingly, the domain of Fgfr1 expression is reduced in Gli3+/+ mice (Fig. 5G-I, 56%, n=5, P=0.0002; Table S1B in supplementary material), whereas the expression domain of Fgfr3 is of similar size but shifted towards the distal ends of the cartilage anlagen (Fig. 5J-L, n=5, P=0.19; Table S1B in supplementary material). As for the region of proliferating cells the reduction in the size of the Fgfr1 expression domain is significant if compared to the overall size of the radius (P=0.0002; Table S1B in supplementary material).

In summary, the reduced expression domain of Fgfr1 identifies Gli3 as a negative regulator of the differentiation of distal chondrocytes into columnar chondrocytes. Furthermore, as the level of PTHrP expression is not altered in Gli3 mutants this regulation occurs independently of PTHrP. In contrast, the differentiation of columnar chondrocytes into hypertrophic chondrocytes seems to be regulated by the level of PTHrP. To support such a model, we analyzed which types of chondrocytes are present in Ihh-deficient mice. As Fgfr3 is expressed in proliferating and in early hypertrophic cells it cannot be used to determine the size of the zone of columnar chondrocytes. We therefore analyzed the expression of Fgfr1 in distal chondrocytes in relation to that of parathyroid hormone receptor 1 (Pthr1), which is expressed in prehypertrophic chondrocytes overlapping with the expression of Ihh. In wild-type limbs the expression domains of Fgfr1 and Pthr1 are clearly separated by columnar chondrocytes. Remarkably, in Ihh−/− limbs, which do not express PTHrP, a small stripe of Fgfr1-expressing distal chondrocytes is directly flanked by Pthr1-expressing prehypertrophic chondrocytes (Fig. 6A-D). We can, thus, conclude that the domain of columnar chondrocytes is significantly reduced or lost in Ihh−/− mutants. Furthermore, the remaining proliferating cells in these mutants represent distal chondrocytes. Correspondingly, no columnar chondrocytes could be detected by morphological analysis (Fig. 2HJ).

We next analyzed Fgfr1 expression in Ihh−/−;Gli3−/− double mutants, in which PTHrP expression is restored, but Gli3 function is lost. In these mutants Fgfr1 expression is restricted to the most distal chondrocytes, as it is in Gli3−/− mutants. In contrast, the region of columnar chondrocytes between the Fgfr1 and Pthr1 expression domains is significantly expanded (Fig. 6E-H). In summary, these results strongly support a dual role for Gli3 in regulating distal chondrocyte differentiation and the onset of hypertrophic differentiation, by two independent mechanisms.

**Loss of Gli3 rescues the delayed onset of hypertrophic differentiation in Col2a1-Ihh− mice**

Various studies of neural tube and early limb bud development have shown that Gli3 acts mainly as a repressor. However, high levels of hedgehog signaling stabilize full length Gli3, thereby inhibiting Gli3 repressor function (Bai et al., 2004; Wang et al., 2000). To test if Gli3 repressor function is similarly inhibited by Ihh we analyzed limbs of mice overexpressing Ihh under the Col2a1 promoter (Col2a1-Ihh mice). This mouse line is characterized by an upregulation of PTHrP expression and consequently a delay in the onset of hypertrophic
Ihh; Gli3 the cartilage anlagen inhibits the repressing function of Gli3.

consistent with the idea that overexpression of chondrocytes (Fig. 7C-E, accelerated differentiation of distal chondrocytes into columnar

expression revealed that Ihh expression is reduced in Col2a1-Ihh; Gli3–/– mice, implicating an additional accelerated differentiation of columnar into hypertrophic chondrocytes (Fig. 8I-L), strongly supporting the idea that the delay in distal chondrocyte differentiation requires Gli3 repressor function. Interestingly the expression domain of Fgfr3 is not only shifted towards the end of the cartilage elements in Col2a1-Ihh; Gli3–/– but also reduced in size compared to Col2a1-Ihh mutants, indicating an additional accelerated differentiation of columnar into hypertrophic chondrocytes (Fig. 8M-P).

We next analyzed the expression of PTHrP, which is upregulated in Col2a1-Ihh mutants, leading to the delayed differentiation of columnar chondrocytes into hypertrophic chondrocytes. Similar to the differentiation of distal chondrocytes, this upregulation of PTHrP expression could be attributed to the Ihh-dependent inactivation of the Gli3 repressor function. However, Gli3–/– mice, which do not express any Gli3 repressor, do not display upregulated levels of PTHrP expression. To investigate the activating potential of Gli3 we analyzed PTHrP expression in Col2a1-Ihh; Gli3–/– mice. Loss of Gli3 in Col2a1-Ihh mice reduces the domain of PTHrP expression (Fig. 8T) as in Gli3–/– mutants. Furthermore, the expression level of PTHrP, which is upregulated in Col2a1-Ihh mice, seems to be reduced to a level similar to that in wild-type or Gli3–/– mice, implicating an activating role of Gli3 in regulating the expression of PTHrP. The reduced size of the expression domain in combination with reduced levels of PTHrP expression seems, thus, to be responsible for the accelerated onset of hypertrophic differentiation.

**Discussion**

Ihh is one of the main regulators of endochondral ossification, acting on different target tissues. To understand how these tissues interpret the Ihh signal it is important to investigate the downstream transcription factors. Zinc finger transcription factors of the Gli family have been shown to act downstream of hedgehog signals in various systems. Investigations from numerous laboratories revealed that Gli3 acts as a strong repressor of Shh target genes. Furthermore loss of Gli3 rescues the Shh phenotype in many aspects, including in the neural tube and the early limb bud. Several lines of evidence indicate that Shh and Ihh are functionally equivalent and signal through the same signal transduction pathway: (1) expression of both genes leads to the upregulation of Ptc1 and Gli in target tissues (Marigo et al., 1996a; Marigo et al., 1996b); (2) similar to Shh, Ihh can induce anterior-posterior patterning effects in the developing limb, and Shh can replace Ihh in delaying chondrocyte differentiation (Pathi et al., 2001; Tavella et al., 2004; Vortkamp et al., 1996). It is thus to be expected that Ihh, like Shh, regulates the activity of the Gli transcription factors by inhibiting their repressor function and converting them into transcriptional activators.

**Loss of Gli3 partially rescues the Ihh–/– phenotype**

During endochondral ossification, the three vertebrate homologues, Gli1, Gli2 and Gli3, are expressed in overlapping domains in proliferating chondrocytes and in the developing bone (tissues that react to Ihh). Neither their expression pattern nor the deletion of single Gli genes identifies one of them as a main transducer of the Ihh signal (Mo et al., 1997).

To obtain deeper insight into the interaction of Gli genes and Ihh we started to analyze the role of Gli3 in regulating Ihh
Gli3 regulates chondrocyte differentiation, focusing on the role of Ihh in controlling chondrocyte differentiation. Despite the fact that Gli3-deficient mice display only a mild bone phenotype our investigations demonstrated that loss of Gli3 in Ihh mutants rescues the Ihh-/- phenotype to a significant degree: the region of hypertrophic chondrocytes is decreased in double transgenic Col2a1-Ihh;Gli3+/- mice. Compared to Col2a1-Ihh;Gli3+/- mice, the zone of proliferating chondrocytes is increased in Gli3-/- mice. (M-P) The Fgfr3 expression domain is expanded in Col2a1-Ihh;Gli3+/- limbs, whereas in double transgenic Col2a1-Ihh;Gli3+/- mice the Fgfr3 expression domain is of similar size to that in wild-type and Gli3+/- limbs. (Q-T) The upregulated level of PTHrP expression in Col2a1-Ihh;Gli3+/- mice seems to be downregulated in Col2a1-Ihh;Gli3-/- mice to similar levels as in control or Gli3+/- limbs.

Despite the dramatic rescue of many aspects of the Ihh-/- phenotype, loss of Gli3 does not fully convert the Ihh-/- phenotype: the perichondrium seems to ossify only in isolated, restricted areas and PTHrP expression is not restored to normal levels in the distal chondrocytes. Whether these processes require an activating function of Gli3 or are regulated by another member of the Gli family will be the subject of future studies. In the proliferating chondrocytes, Gli2 expression overlaps with that of Gli3 and both genes are expressed more strongly in the distal regions. Remaining Gli2 repressor activity might thus downregulate the expression of PTHrP in hypertrophic differentiation. Similarly, ectopic expression of PTHrP in the joint region outside the distal chondrocytes has been found after retroviral overexpression of Ihh in chick embryos (Vortkamp et al., 1996). Interestingly, neither in these experimental settings nor in Col2a1-Ihh mice columnar chondrocytes is PTHrP expressed. Two conclusions can be drawn from these observations. (1) Only less differentiated cells of the joint region and distal chondrocytes are competent to express PTHrP, whereas columnar chondrocytes have lost this competence. (2) Gli3 seems to be an important inhibitor of PTHrP expression in the future joints in wild-type embryos.

Fig. 8. Loss of Gli3 partially rescues the Col2a1-Ihh phenotype. Serial sections of E16.5 Gli3+/- (A,E,I,M,Q; control), Gli3-/- (B,F,J,N,R), Col2a1-Ihh;Gli3+/- (C,G,K,O,S) and Col2a1-Ihh;Gli3+/- (D,H,L,P,T) limbs of the same litter were hybridized with riboprobes as indicated. E-H are higher magnifications of the distal radii (boxed) in A-D. (E-H) The size of the zone of proliferating chondrocytes (red arrow) is reduced in Gli3-/- mice and strongly increased in Col2a1-Ihh;Gli3-/- mice. (I-L) The size of the domain of distal chondrocytes, demarcated by the Fgfr1 expression domain (green arrow), is slightly reduced in Col2a1-Ihh;Gli3+/- and strongly reduced in Gli3-/- and Col2a1-Ihh;Gli3-/- mice. (M-P) The Fgfr3 expression domain is expanded in Col2a1-Ihh;Gli3+/- limbs, whereas in double transgenic Col2a1-Ihh;Gli3+/- mice the Fgfr3 expression domain is of similar size to that in wild-type and Gli3+/- limbs. (Q-T) The upregulated level of PTHrP expression in Col2a1-Ihh;Gli3+/- mice seems to be downregulated in Col2a1-Ihh;Gli3-/- mice to similar levels as in control or Gli3+/- limbs.
**Gli3 regulates chondrocyte differentiation in PTHrP dependent and independent mechanisms**

Although endochondral long bones of Gli3 mutant mice develop similarly to those of wild-type mice, our analysis of chondrocyte differentiation revealed a reduced domain of proliferating chondrocytes, indicating an accelerated onset of hypertrophic differentiation. Surprisingly, the expression levels of PTHrP, the main regulator of differentiation from proliferating into hypertrophic chondrocytes, and its receptor Pthr1 (data not shown) seem to be normal in Gli3+/- mutants, indicating that the accelerated differentiation is induced by a PTHrP-independent mechanism. Instead loss of Gli3 leads to a shift in the expression domain of PTHrP towards the distal ends of the cartilage elements at E16.5. Furthermore the region of Fgfr1-expressing distal chondrocytes is reduced in size in these mice. Thus, Gli3 seems to act as a negative regulator of an early step of chondrocyte differentiation, i.e. the transition from distal into columnar cells, thereby positioning the PTHrP expression domain. The reduced zone of proliferating chondrocytes in Gli3+/- mice can therefore be attributed to an accelerated differentiation of distal into columnar cells. In summary, we can conclude that Gli3 regulates two steps of chondrocyte differentiation: the transition from distal into columnar cells in a PTHrP-independent mechanism, and the transition of columnar into hypertrophic cells by regulating PTHrP expression.

Successive roles for Gli3 and PTHrP in determining the switch from distal into columnar chondrocytes and from columnar into hypertrophic chondrocytes, respectively, are supported by the investigation of various combinations of Ihh and Gli3 alleles. In Ihh+/- mice, the remaining non-hypertrophic cells are distal, Fgfr1-positive chondrocytes, which are presumably maintained by the strong Gli3 repressor function. As PTHrP expression is absent, these distal cells differentiate directly into Pthr1-expressing hypertrophic chondrocytes. Because of the lack of a positive marker we cannot completely exclude the possibility of a short columnar phase. However, no chondrocyte columns can be detected morphologically. Loss of Gli3 in Ihh+/- mutants restores the expression of PTHrP and subsequently delays the onset of hypertrophic differentiation. As Gli3 function is lost the differentiation of distal into columnar chondrocytes is accelerated and the majority of proliferating chondrocytes are of the columnar type. In Col2a1-Ihh mice the repressor function of Gli3 is antagonized by overexpression of Ihh. Accordingly, the differentiation of distal into columnar chondrocytes is accelerated, leading to a shortened zone of distal chondrocytes. In parallel, upregulated PTHrP expression leads to a delayed onset of hypertrophic differentiation. Complete loss of Gli3 in these mutants (Col2a1-Ihh;Gli3+/-) results in a further acceleration of distal chondrocyte differentiation. Consequently the reduced domain of PTHrP expression, in combination with a possibly reduced PTHrP expression level, accelerates the transition from columnar to hypertrophic cells.

**Is activation by Gli3 required for PTHrP expression?**

Whereas the differentiation of distal into columnar chondrocytes seems to be regulated by Gli3 repressor activity, the regulation of PTHrP expression by Gli3 might be more complex. Loss of Gli3 in Ihh+/- mice restores the expression of PTHrP, clearly demonstrating that Gli3 negatively regulates PTHrP expression. However, in Gli3+/- mice, PTHrP expression is not upregulated compared to wild-type mice whereas Col2a1-Ihh mice express significantly upregulated levels of PTHrP. Therefore, high expression of PTHrP in chondrocytes seems to require the release of a potential repression by Gli2 or an activation by either Gli3 or Gli2. Interestingly, loss of Gli3 in Col2a1-Ihh mutants not only leads to a reduction in the size of the PTHrP expression domain but, in addition, seems to downregulate the level of PTHrP expression. As the function of Gli2, acting as a repressor or an activator, should not be affected by loss of Gli3, this experiment suggests that upregulation of PTHrP expression in these limbs requires activation by Gli3. We can not, however, determine by this experiment whether Gli3 directly activates the PTHrP promoter or if it acts as a repressor of other inhibitory transcription factors.

It is difficult to determine if PTHrP expression requires activation by Gli3 in wild-type limbs. The activating function of Gli3 might be minimal in wild-type limbs and might only be induced by ectopic overexpression of Ihh. However, the normal level of PTHrP expression in Gli3+/- mice is at least in agreement with a simultaneous loss of a Gli3 activator and repressor function. Furthermore, the role of Gli2 in this process remains obscure, as overexpression of Ihh should convert Gli2 into a strong activator. Loss of repression by Gli3 should thus allow Gli2 to activate PTHrP expression, again supporting an activating role for Gli3. Further studies addressing the role of Gli2 are obviously required to fully understand the regulation of PTHrP.

**Conclusions**

Our study has identified several important roles for Gli3 in regulating chondrocyte differentiation. (1) The rescue of the Ihh-/- phenotype revealed that Gli3 acts as a strong repressor of Ihh target genes. The activating activity of Ihh is therefore mainly mediated by inhibiting the Gli3 repressor function. (2) Gli3 controls two distinct steps of chondrocyte differentiation: the switch from distal into columnar chondrocytes in a PTHrP-independent manner and the switch from columnar into hypertrophic chondrocytes by regulation of PTHrP expression. (3) PTHrP expression is regulated by Gli3 repressor, and possibly activator, activity.

PTHrP-dependent and independent regulation of chondrocyte differentiation has been proposed previously from the analysis of mice carrying hypomorphic and null alleles of Pthr1. Based on cell morphology, Kobayashi et al. predicted that PTHrP regulates the switch from columnar into hypertrophic cells, whereas Ihh accelerates the differentiation from distal into columnar cells (Kobayashi et al., 2002; Kobayashi et al., 2005). Our analysis has, for the first time, used Fgfr1 and Fgfr3 as markers to define the domains of distal and columnar chondrocytes. In addition, we identified Gli3 as a regulator of both differentiation steps. Combining the investigations of both groups we would thus propose a model in which Gli3 repressor function delays distal chondrocyte differentiation. Inactivation of the Gli3 repressor function by Ihh from the prehypertrophic region would induce...
Fig. 9. Gli3 regulates two steps of chondrocyte differentiation: the transition from (1) distal into columnar and from (2) columnar into hypertrophic chondrocytes. Left half: Gli3 regulates the onset of hypertrophic differentiation by regulating \( \text{PTHrP} \) (yellow) expression. In distal chondrocytes Gli3 acts as a strong repressor of \( \text{PTHrP} \) expression. Ihh signaling inhibits the repressor function of Gli3 (Gli3-R) and possibly activates \( \text{PTHrP} \) expression by Gli3-mediated activation (Gli3-A). As columnar chondrocytes loose the competence to express \( \text{PTHrP} \) its expression domain is restricted to distal chondrocytes. In the most distal cells, which do not receive sufficient Ihh, the Gli3 repressor cannot be inactivated and therefore inhibits the expression of \( \text{PTHrP} \), resulting in a stripe of \( \text{PTHrP} \) expression. Right half: Gli3 negatively regulates the differentiation of \( \text{Fgfr1} \) expressing, distal (green) chondrocytes into columnar cells independent of \( \text{PTHrP} \). Ihh antagonizes the repressor function of Gli3 and promotes this differentiation process.

Another important aspect of our studies is the observation that with expansion of the domain of distal chondrocytes the region of \( \text{PTHrP} \) expression moves into the cartilage anlagen. Such a delocalization would be necessary to maintain the interaction of Ihh and \( \text{PTHrP} \) at later stages of bone development when a secondary ossification center develops in the most distal cells. The strong repression of \( \text{PTHrP} \) by Gli3 in these chondrocytes suggests a mechanism of how the \( \text{PTHrP} \) expression domain could be moved: Ihh induces the expression of \( \text{PTHrP} \) in distal cells and the differentiation of distal into columnar chondrocytes by antagonizing Gli3 repression at a certain distance from its expression domain. With increasing bone length, the Ihh signal is, however, not strong enough to release Gli3 repressor activity in the most distal cells. Continuous proliferation of the distal cells might consequently release more and more cells from the influence of Ihh and increase the population of future epiphysial cells without disrupting the Ihh/\( \text{PTHrP} \) interaction.

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**Supplementary material**

Supplementary material available online at http://dev.biologists.org/cgi/content/full/132/23/5249/DC1

**References**


