Northern analysis and reverse transcription. Purification of poly(A)⁺ mRNA, and northern blot hybridization were performed essentially as described²². To assess the induction of SOCS genes by IL-6, mice (C57BL/6) were injected intravenously with 5 µg IL-6 followed by collection of the liver at the indicated timepoints after injection. M1 cells were cultured in the presence of 20 ng ml⁻¹ IL-6 and collected at the indicated times. For RT-PCR analysis, bone marrow cells were collected as described²³ and stimulated for 1 h at 37°C with 100 ng ml⁻¹ of a range of cytokines. RT-PCR was performed on total RNA as described²³. PCR products were resolved on an agarose gel and Southern blots were hybridized as described²³ with probes specific for each SOCS family member. Expression of β-actin was assessed to ensure uniformity of amplification.

Western blotting and electrophoretic mobility shift assays. M1 cells (10⁷) or their derivatives were stimulated for 4 min at 37°C with either saline or 100 ng ml⁻¹ IL-6. Cells were lysed and 1 to 2 mg protein was immunoprecipitated with 4 µg anti-gp130 antibody (M20; Santa Cruz Biotechnology, Santa Cruz, CA) essentially as described²⁴. Western blots were performed using anti-tyrosine phosphorylated STAT3 or anti-STAT3 (New England Biolabs, Beverly, MA), or anti-gp130 (Santa Cruz Biotechnology) as described²⁵. Electrophoretic mobility shift assays were performed using the m67 oligonucleotide probe, as described²⁶.

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Correspondence and requests for materials should be addressed to D.J.H. (e-mail: hilton@wehi.edu.au).

A new protein containing an SH2 domain that inhibits JAK kinases

Takaho A. Endo^{*†}, Masaaki Masuhara^{*†}, Masahiro Yokouchi^{*†‡}, Ritsu Suzuki^{*†‡}, Hiroshi Sakamoto^{*}, Kaoru Mitsui^{*}, Akira Matsumoto^{*}, Shyu Tanimura^{*}, Motoaki Ohtsubo^{*}, Hiroyuki Misawa^{*}, Tadaaki Miyazaki[§], Nogueira Leonor[§], Tadatsugu Taniguchi[§], Takashi Fujita^{||}, Yuzuru Kanakura[¶], Seturo Komiya[‡] & Akihiko Yoshimura^{*}

^{*} Institute of Life Science, and [‡] Department of Orthopedic Surgery, Kurume University, Aikawamachi 2432-3 Kurume 839, Japan

[§] Department of Immunology, Faculty of Medicine, University of Tokyo, Bunkyo-ku, Tokyo 113, Japan

^{||} Department of Tumor Cell Biology, The Tokyo Metropolitan Institute of Medical Science, Bunkyo-ku, Tokyo 113, Japan

[¶] Department of Hematology and Oncology, Osaka University Medical School, Suita 565, Japan

[†] These authors contributed equally to this work.

The proliferation and differentiation of cells of many lineages are regulated by secreted proteins known as cytokines. Cytokines exert their biological effect through binding to cell-surface receptors that are associated with one or more members of the JAK family of cytoplasmic tyrosine kinases. Cytokine-induced receptor dimerization leads to the activation of JAKs, rapid tyrosine-phosphorylation of the cytoplasmic domains, and subsequent recruitment of various signalling proteins, including members of the STAT family of transcription factors, to the receptor complex^{1–5}. Using the yeast two-hybrid system, we have now isolated a new SH2-domain-containing protein, JAB, which is a JAK-binding protein that interacts with the Jak2 tyrosine-kinase JH1 domain⁶. JAB is structurally related to CIS, a cytokine-inducible SH2 protein^{7,8}. Interaction of JAB with Jak1, Jak2 or Jak3 markedly reduces their tyrosine-kinase activity and suppresses the tyrosine-phosphorylation and activation of STATs. JAB and CIS appear to function as negative regulators in the JAK signalling pathway.

We screened several yeast two-hybrid complementary DNA libraries and found a single positive clone, JAB, in a human B-cell library that could interact with the Jak2 JH1 domain (Fig. 1a–c). A database search revealed that the mouse and rat JAB genes are located downstream of the protamine gene cluster⁹. The coding region of the gene for mouse JAB appears to contain no introns, and encodes a 212-amino-acid protein. The JAB protein contains a central SH2 domain (amino acids 79–170) which is most closely related (35% identical) to that of CIS, a cytokine-inducible SH2-containing protein (Fig. 1d) that we have cloned previously⁷.

We examined the specificity of the interaction of JAB with the Jak2 JH1 domain using the yeast two-hybrid assay. We found no evidence for interaction of the Jak2 JH1 domain with other SH2-containing proteins such as Crk, the p85 subunit of phosphatidylinositol-3-OH kinase (PI(3)K), phospholipase C-γ (PLCγ) or a new

We investigated the effect of JAB on JAK-dependent gene activation in three different reporter-gene assay systems: Stat5 activation by erythropoietin (EPO)⁸ (Fig. 4a), Stat3 activation by interleukin (IL)-6 (ref. 12) (Fig. 4b), and *c-fos* promoter activation by IL-2 and IL-3 (ref. 13; Fig. 4c). Transient expression of JAB with the reporter gene inhibited reporter activation in response to both EPO and IL-6 (Fig. 4a,b). IL-2- and IL-3-induced *c-fos* promoter activation was

almost completely inhibited by co-expression of full-length JAB (Fig. 4c). Although the *c-fos* gene may not be activated by STATs, the activation of JAKs is necessary for *c-fos* activation (see the effect of dominant-negative Jak3, J3M1, in Fig. 4c, and ref. 13). Thus, the decrease in *c-fos* activation in this assay therefore probably reflects inhibition of JAKs, rather than STATs, by JAB. Truncated JAB

lacking both the C- and N-terminal domains had little effect on IL-2- and IL-3-induced *c-fos* activation (Fig. 4c, Myc-SH2), indicating that these regions are necessary for full JAK kinase inhibition by JAB. This is consistent with the results shown in Fig. 3e, which indicate that the JAB SH2 domain alone is unable to inhibit JAK activation. Co-expression of JAB did not inhibit activation of the

Figure 3 Association of Jak2 with JAB and inhibition of JAK kinase reaction *in vivo*. **a–c**, 293 cells were transfected with Jak2 and/or Myc-JAB constructs, and cell extracts were immunoprecipitated (IP) with antibodies specific for either Myc (IP αMyc) or Jak2 (IP αJak2), then immunoblotted with anti-Jak2 (blot αJak2) (**a**) or anti-Myc (blot αMyc) (**b**) antibodies. **c**, Total cell extracts (TCL) or anti-Jak2 immunoprecipitates (IP αJak2) were blotted with anti-PY (blot αPY) or anti-Jak2 (blot αJak2). **d**, Jak2, Stat3 and JAB constructs were transiently transfected into 293

cells as indicated, and total cell extracts were blotted with anti-PY (αPY), anti-Jak2 (αJak2), anti-Stat3 (αStat3), and anti-Myc (αMyc) antibodies. **e**, 293 cells were transfected with the Jak2 (constructs) (+) or vector (–), either alone or with pcDNA3 carrying full-length JAB (JAB), JAB SH2 domain (SH2), or full-length CIS (CIS). Cell extracts were immunoblotted with anti-PY. **f**, 293 transfected with Jak1, Jak3 or c-Kit(D814V) constructs, either alone (–) or with (+) pcDNA3-Myc JAB. Cell extracts were immunoblotted with anti-PY.

Figure 4 Inhibition of JAK activity by JAB in cells assessed by reporter assay. The indicated cells were transfected with reporter genes for Stat5 (**a**), Stat3 (**b**) or *c-fos* promoter (**c**) with pcDNA3 carrying JAB (+) or JAB, the SH2 domain of JAB (SH2), JH1-truncated Jak3 (J3M1), or vector alone (–). Luciferase activity (AU, arbitrary units) was measured after stimulation without (–) or with (+) 10 unit m^{-1} EPO (**a**),

20 $ng\ ml^{-1}$ IL-6 (**b**), or either 0.5 nM IL-2 or IL-3 (**c**), for 10–12 h. In **d**, parental NIH3T3 cells and 3T3 cells expressing Myc-JAB (JAB) were stimulated for 10 min either with (+) or without (–) 500 $ng\ ml^{-1}$ FGF. Total cell lysates (upper panel) or anti-Shc or anti-MAP kinase (Erk2) immunoprecipitates (lower panels) were blotted with anti-PY antibody.

c-fos promoter stimulated by cyclic AMP (data not shown), suggesting that JAB does not inhibit any pathways other than those involving JAKs. Furthermore, constitutive overexpression of JAB in NIH3T3 cells did not inhibit basic fibroblast growth factor (FGF)-induced tyrosine-phosphorylation of cellular proteins, including Shc and Erk2 (Fig. 4d), whereas interferon- α -induced antiviral and antiproliferative effects were almost completely blocked in the JAB transformants (data not shown).

We have described the cloning of a cDNA encoding a protein that binds to the catalytic domain of the cytoplasmic tyrosine kinase Jak2. Our results indicate that interaction with JAB inhibits the catalytic activity of JAKs and thus the activation of signalling intermediates such as STATs. CIS also inhibits cytokine signal transduction by competing with Stat5 or other signalling molecules for docking sites on the receptor^{7,8}. The potent inhibition by JAB and CIS of cytokine activity suggests that members of this family may be key regulators of haematopoiesis, of the response to infection and injury, and of development—all biological processes in which JAKs and STATs are important.

Note added in proof: Elsewhere in this issue, JAK inhibitors similar to JAB are reported under the names SOCS¹⁸ and SSI-1 (ref. 19). □

Methods

Two-hybrid screening and cloning of JAB. The two-hybrid screen was done according to ref. 14. The hybrid bait consisted of the Jak2 JH1 domain, and the DNA-binding/dimerization domain of LexA allowed interchain tyrosine phosphorylation of the kinase domain in yeast. The murine Jak2 JH1 domain (amino acids 839–1,127; kindly provided by R. Fukunaga) or the oncogenic c-Kit kinase domain (amino acids 544–975, containing the D814V mutation¹⁰) in a pBTM116 vector was transfected into yeast strain L40. Kinase-negative JH1 was created by substitution of lysine (K) at position 882 to aspartic acid (D) as described¹⁵. A human B-lymphocyte cDNA library in a pACT vector¹⁶ was screened.

Binding of JAB to Jak2 *in vitro*. About 1 μ g purified Jak2 (Upstate Biotechnology) was incubated with 1 μ g purified GST or GST-SH2 fusion protein (amino acids 78–180 of human JAB) in kinase buffer (50 mM HEPES, pH 7.5, 50 mM NaCl, 5 mM MgCl₂, 5 mM MnCl₂ and 0.1 mM Na₃VO₄) in the presence or absence of 0.2 mM ATP for 2 h at room temperature. After washing twice with phosphate-buffered saline, protein bound to beads was analysed by immunoblotting with anti-phosphotyrosine (PY) (4G10) or goat anti-GST (Pharmacia).

Analysis of JAB/Jak2 interaction in intact cells. Jak2 cDNA in the expression vector pEF-BOS and Myc-epitope-tagged-JAB (Myc-JAB; ref. 17) in pcDNA3 (2.5 μ g per transfection) were transiently expressed in 293 cells grown in 35-mm dishes using calcium phosphate co-precipitation. Cell extracts were immunoprecipitated with either monoclonal anti-Myc antibody (9E10) or polyclonal anti-Jak2 antibody as described⁷. Total cell lysate (50 μ g protein) or the immune complex were further analysed by immunoblotting with anti-PY, anti-Myc, and anti-Jak2. For phosphorylation of Jak1 and Jak3, 293 cells were transfected with 2.5 μ g Jak1 in pCDM8 (from A. F. Wilks), or with Jak3 in pSR α (from T. Shirasawa), or with murine oncogenic c-Kit carrying the D814V mutation in pEF-BOS¹⁰ in the presence or absence of 2.5 μ g JAB cDNA.

Reporter gene assay. Luciferase gene constructs containing an EPO/Stat5-responsive promoter from the CIS gene⁸, an IL-6/Stat3-responsive promoter (based on the acute phase response element¹², or the *c-fos* promoter¹³, were transfected into L929 cells expressing the EPO receptor (L-ER), the hepatocyte cell line HepG2, or into Ba/F3 cells expressing the IL-2 receptor β -chain (Ba/F3-IL2R β), respectively. Luciferase activity was measured as described⁸.

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Correspondence and requests for materials should be addressed to A.Y. (yosimura@lsi.kurume-u.ac.jp). The nucleotide sequence data reported here will appear in the DDBJ, EMBL and GenBank nucleotide sequence databases under accession numbers AB 000676 (human JAB) and AB 000677 (mouse JAB).

Structure and function of a new STAT-induced STAT inhibitor

Tetsuji Naka*, Masashi Narazaki*, Moritoshi Hirata*, Tomoshige Matsumoto*, Seiji Minamoto*, Atsufumi Aono*, Norihiro Nishimoto†, Tadahiro Kajita‡, Tetsuya Taga§, Kazuyuki Yoshizaki†, Shizuo Akira|| & Tadimitsu Kishimoto*

*Osaka University Medical School Department of Medicine III, 2-2, Yamada-Oka, Suita, Osaka 565, Japan

†Medical Science I, School of Health and Sports Sciences, Department of Osaka University, 2-1, Yamada-Oka, Suita, Osaka 565, Japan

‡Research and Development Center, International Reagents Corporation, 1-2, 1-Chome, Murotani, Nishiku, Kobe 651-22, Japan

§Department of Molecular Cell Biology, Medical Research Institute, Tokyo Medical and Dental University, 2-3-10, Kanda-Surugadai, Chiyoda-ku, Tokyo 101, Japan

||Department of Biochemistry Hyogo College of Medicine, 1-1, Mukogawa, Nishinomiya, Hyogo 663, Japan

The signalling pathway that comprises JAK kinases and STAT proteins (for signal transducer and activator of transcription) is important for relaying signals from various cytokines outside the cell to the inside^{1–3}. The feedback mechanism responsible for switching off the cytokine signal has not been elucidated. We now report the cloning and characterization of an inhibitor of STAT activation which we name SSI-1 (for STAT-induced STAT inhibitor-1). We found that SSI-1 messenger RNA was induced by the cytokines interleukins 4 and 6 (IL-4, IL-6), leukaemia-inhibitory factor (LIF), and granulocyte colony-stimulating factor (G-CSF). Stimulation by IL-6 or LIF of murine myeloid leukaemia cells (M1 cells) induced SSI-1 mRNA expression which was blocked by transfection of a dominant-negative mutant of Stat3,