

DIFFERENTIATION OF HUMAN EMBRYONIC STEM CELLS

CROSS REFERENCE TO RELATED APPLICATION

- [0001] The present application claims the benefit of U.S. Provisional Patent Application Serial No. 61/333,831, filed May 12, 2010, which is incorporated herein by reference in its entirety for all purpose.

FIELD OF THE INVENTION

- [0002] The present invention provides methods to promote the differentiation of pluripotent stem cells into insulin producing cells. In particular, the present invention provides a method to produce a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 50% of the cells in the population co-express PDX1 and NKX6.1.

BACKGROUND

- [0003] Advances in cell-replacement therapy for Type I diabetes mellitus and a shortage of transplantable islets of Langerhans have focused interest on developing sources of insulin-producing cells, or β cells, appropriate for engraftment. One approach is the generation of functional β cells from pluripotent stem cells, such as, for example, embryonic stem cells.
- [0004] In vertebrate embryonic development, a pluripotent cell gives rise to a group of cells comprising three germ layers (ectoderm, mesoderm, and endoderm) in a process known as gastrulation. Tissues such as, for example, thyroid, thymus, pancreas, gut, and liver, will develop from the endoderm, via an intermediate stage. The intermediate stage in this process is the formation of definitive endoderm. Definitive endoderm cells express a number of markers, such as, HNF3 beta, GATA4, MIXL1, CXCR4 and SOX17.
- [0005] Formation of the pancreas arises from the differentiation of definitive endoderm into pancreatic endoderm. Cells of the pancreatic endoderm express the pancreatic-duodenal homeobox gene, PDX1. In the absence of PDX1, the pancreas fails to

develop beyond the formation of ventral and dorsal buds. Thus, PDX1 expression marks a critical step in pancreatic organogenesis. The mature pancreas contains, among other cell types, exocrine tissue and endocrine tissue. Exocrine and endocrine tissues arise from the differentiation of pancreatic endoderm.

- [0006] Cells bearing the features of islet cells have reportedly been derived from embryonic cells of the mouse. For example, Lumelsky *et al.* (Science 292:1389, 2001) report differentiation of mouse embryonic stem cells to insulin-secreting structures similar to pancreatic islets. Soria *et al.* (Diabetes 49:157, 2000) report that insulin-secreting cells derived from mouse embryonic stem cells normalize glycemia in streptozotocin-induced diabetic mice.
- [0007] In one example, Hori *et al.* (PNAS 99: 16105, 2002) disclose that treatment of mouse embryonic stem cells with inhibitors of phosphoinositide 3-kinase (LY294002) produced cells that resembled β cells.
- [0008] In another example, Blyszczuk *et al.* (PNAS 100:998, 2003) reports the generation of insulin-producing cells from mouse embryonic stem cells constitutively expressing Pax4.
- [0009] Micallef *et al.* reports that retinoic acid can regulate the commitment of embryonic stem cells to form PDX1 positive pancreatic endoderm. Retinoic acid is most effective at inducing Pdx1 expression when added to cultures at day 4 of embryonic stem cell differentiation during a period corresponding to the end of gastrulation in the embryo (Diabetes 54:301, 2005).
- [0010] Miyazaki *et al.* reports a mouse embryonic stem cell line over-expressing Pdx1. Their results show that exogenous Pdx1 expression clearly enhanced the expression of insulin, somatostatin, glucokinase, neurogenin3, p48, Pax6, and Hnf6 genes in the resulting differentiated cells (Diabetes 53: 1030, 2004).
- [0011] Skoudy *et al.* reports that activin A (a member of the TGF- β superfamily) upregulates the expression of exocrine pancreatic genes (p48 and amylase) and endocrine genes (Pdx1, insulin, and glucagon) in mouse embryonic stem cells. The maximal effect was observed using 1nM activin A. They also observed that the expression level of insulin and Pdx1 mRNA was not affected by retinoic acid; however, 3nM FGF7

treatment resulted in an increased level of the transcript for Pdx1 (Biochem. J. 379: 749, 2004).

- [0012] Shiraki *et al.* studied the effects of growth factors that specifically enhance differentiation of embryonic stem cells into PDX1 positive cells. They observed that TGF- β 2 reproducibly yielded a higher proportion of PDX1 positive cells (Genes Cells. 2005 Jun; 10(6): 503-16.).
- [0013] Gordon *et al.* demonstrated the induction of brachyury [positive]/ HNF3 beta [positive] endoderm cells from mouse embryonic stem cells in the absence of serum and in the presence of activin along with an inhibitor of Wnt signaling (US 2006/0003446A1).
- [0014] Gordon *et al.* (PNAS, Vol 103, page 16806, 2006) states “Wnt and TGF-beta/ nodal/ activin signaling simultaneously were required for the generation of the anterior primitive streak”.
- [0015] However, the mouse model of embryonic stem cell development may not exactly mimic the developmental program in higher mammals, such as, for example, humans.
- [0016] Thomson *et al.* isolated embryonic stem cells from human blastocysts (Science 282:114, 1998). Concurrently, Gearhart and coworkers derived human embryonic germ (hEG) cell lines from fetal gonadal tissue (Shamblott *et al.*, Proc. Natl. Acad. Sci. USA 95:13726, 1998). Unlike mouse embryonic stem cells, which can be prevented from differentiating simply by culturing with Leukemia Inhibitory Factor (LIF), human embryonic stem cells must be maintained under very special conditions (U.S. Pat. No. 6,200,806; WO 99/20741; WO 01/51616).
- [0017] D’Amour *et al.* describes the production of enriched cultures of human embryonic stem cell-derived definitive endoderm in the presence of a high concentration of activin and low serum (Nature Biotechnology 2005). Transplanting these cells under the kidney capsule of mice resulted in differentiation into more mature cells with characteristics of some endodermal organs. Human embryonic stem cell-derived definitive endoderm cells can be further differentiated into PDX1 positive cells after addition of FGF-10 (US 2005/0266554A1).

- [0018] D'Amour *et al.* (Nature Biotechnology - 24, 1392 - 1401 (2006)) states: "We have developed a differentiation process that converts human embryonic stem (hES) cells to endocrine cells capable of synthesizing the pancreatic hormones insulin, glucagon, somatostatin, pancreatic polypeptide and ghrelin. This process mimics *in vivo* pancreatic organogenesis by directing cells through stages resembling definitive endoderm, gut-tube endoderm, pancreatic endoderm and endocrine precursor en route to cells that express endocrine hormones".
- [0019] In another example, Fisk *et al.* reports a system for producing pancreatic islet cells from human embryonic stem cells (US2006/0040387A1). In this case, the differentiation pathway was divided into three stages. Human embryonic stem cells were first differentiated to endoderm using a combination of sodium butyrate and activin A. The cells were then cultured with TGF- β antagonists such as Noggin in combination with EGF or betacellulin to generate PDX1 positive cells. The terminal differentiation was induced by nicotinamide.
- [0020] In one example, Benvenisty *et al.* states: "We conclude that over-expression of PDX1 enhanced expression of pancreatic enriched genes, induction of insulin expression may require additional signals that are only present *in vivo*" (Benvenisty *et al.*, Stem Cells 2006; 24:1923–1930).
- [0021] In another example, Grapin-Botton *et al.* states: "Early activation of Ngn3 almost exclusively induced glucagon+ cells while depleting the pool of pancreas progenitors. As from E11.5, PDX-1 progenitors became competent to differentiate into insulin [positive] and PP [positive] cells" (Johansson KA *et al.*, Developmental Cell 12, 457–465, March 2007).
- [0022] For example, Diez *et al.* states; "At 9 and 10 weeks, most of the glucagon positive cells co-expressed insulin, although distinct insulin-only cells were clearly detectable at these stages. Cells co-expressing insulin and glucagon were observed during the whole period studies (9 to 21 weeks) but they represent merely a small fraction of the total insulin and glucagon expressing cells." (J Histochem Cytochem. 2009 Sep;57(9):811-24. 2009 Apr 13.)
- [0023] In one example, Chen *et al.* states "(-) -indolactam V [(ILV)] activates protein kinase C signaling and directs the pancreatic specification of hESCs that have already been

committed to the endoderm lineage...ILV and retinoic acid function through a related mechanism...ILV shows a stronger induction of PDX-1 expressing cells (percentage of cells expressing PDX-1) than does retinoic acid.” (Nature Chemical Biology 5, 195-196 (April 2009) doi:10.1038/nchembio0409-195).

- [0024] Lytle *et al* states: “NKX6-1 co-localised only with insulin cells, indicating that NKX6-1 is exclusively involved in human beta cell development.” (Diabetologia 2008 Jul; 51(7):1169-80, 2008).
- [0025] Therefore, there still remains a significant need to develop *in vitro* methods to generate a functional insulin expressing cell, that more closely resemble a β cell. The present invention takes an alternative approach to improve the efficiency of differentiating human embryonic stem cells toward insulin expressing cells, by generating a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 50% of the cells in the population co-express PDX-1 and NKX6.1.

SUMMARY

- [0026] In one embodiment, the present invention provides a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 50% of the cells in the population co-express PDX1 and NKX6.1.
- [0027] In one embodiment, the present invention provides a method to differentiate a population of pluripotent stem cells into a population of cells expressing markers characteristic of the pancreatic endoderm lineage, comprising the steps of:
- Culturing a population of pluripotent stem cells,
 - Differentiating the population of pluripotent stem cells into a population of cells expressing markers characteristic of the definitive endoderm lineage, and
 - Differentiating the population of cells expressing markers characteristic of the definitive endoderm lineage into a population of cells expressing markers characteristic of the pancreatic endoderm lineage, by treating the population of cells expressing markers characteristic of the definitive endoderm lineage with medium supplemented with a protein kinase C activator.

- [0028] In one embodiment, greater than 50% of the cells in the population of cells expressing markers characteristic of the pancreatic endoderm lineage produced by the methods of the present invention co-express PDX-1 and NKX6.1.

BRIEF DESCRIPTION OF THE DRAWINGS

- [0029] Figures 1A and 1B show the expression of PDX1, NKX6.1 and ISL-1 at stage 4 day 4 of the differentiation protocol outlined in Example 1. Figure 1A shows the expression of PDX1 and NKX6.1. Figure 1B shows the expression of NKX6.1 and ISL-1.
- [0030] Figures 2A and 2B show the effect of PKC activator treatment on the percentage of cells expressing PDX1, NKX6.1 and CDX2, analyzed via the IN Cell Analyzer 1000 (Figure 2A), and comparison of various PKC activator and their effects on percentage of PDX1 and NKX6.1 expressing cells, via the IN Cell Analyzer (Figure 2B).
- [0031] Figures 3A, 3B and 3C show circulating C-peptide in SCID-beige mice that received the cells of the present invention under the kidney capsule (Figure 3A), in a Theracyte device that was implanted subcutaneously (Figure 3B). C-peptide levels were detected at the times indicated. Figure 3C shows a comparison of the C-peptide levels observed between the group receiving the cells under the kidney capsule and the group receiving the cells in the Theracyte device subcutaneously, at 12 weeks post-transplantation.
- [0032] Figures 4A, 4B, 4C and 4D show the effect of PKC activator treatment on the expression of PDX1, NKX6.1, NGN3 and PTF1 alpha expression in cells treated according to the methods described in Example 3.
- [0033] Figures 5A, 5B, 5C and 5D show the effect of FGF7 on the expression of NKX6.1, PDX1, PTF1 alpha and CDX2 in the cells treated according to the methods described in Example 4.

DETAILED DESCRIPTION

- [0034] For clarity of disclosure, and not by way of limitation, the detailed description of the invention is divided into the following subsections that describe or illustrate certain features, embodiments or applications of the present invention.

Definitions

- [0035] Stem cells are undifferentiated cells defined by their ability at the single cell level to both self-renew and differentiate to produce progeny cells, including self-renewing progenitors, non-renewing progenitors, and terminally differentiated cells. Stem cells are also characterized by their ability to differentiate *in vitro* into functional cells of various cell lineages from multiple germ layers (endoderm, mesoderm and ectoderm), as well as to give rise to tissues of multiple germ layers following transplantation and to contribute substantially to most, if not all, tissues following injection into blastocysts.
- [0036] Stem cells are classified by their developmental potential as: (1) totipotent, meaning able to give rise to all embryonic and extraembryonic cell types; (2) pluripotent, meaning able to give rise to all embryonic cell types; (3) multipotent, meaning able to give rise to a subset of cell lineages but all within a particular tissue, organ, or physiological system (for example, hematopoietic stem cells (HSC) can produce progeny that include HSC (self-renewal), blood cell restricted oligopotent progenitors, and all cell types and elements (e.g., platelets) that are normal components of the blood); (4) oligopotent, meaning able to give rise to a more restricted subset of cell lineages than multipotent stem cells; and (5) unipotent, meaning able to give rise to a single cell lineage (e.g., spermatogenic stem cells).
- [0037] Differentiation is the process by which an unspecialized ("uncommitted") or less specialized cell acquires the features of a specialized cell such as, for example, a nerve cell or a muscle cell. A differentiated or differentiation-induced cell is one that has taken on a more specialized ("committed") position within the lineage of a cell. The term "committed", when applied to the process of differentiation, refers to a cell that has proceeded in the differentiation pathway to a point where, under normal circumstances, it will continue to differentiate into a specific cell type or subset of cell types, and cannot, under normal circumstances, differentiate into a different cell type or revert to a less differentiated cell type. De-differentiation refers to the process by which a cell reverts to a less specialized (or committed) position within the lineage of a cell. As used herein, the lineage of a cell defines the heredity of the cell, i.e., which cells it came from and what cells it can give rise to. The lineage of a cell places the cell within a hereditary scheme of development and differentiation. A lineage-

specific marker refers to a characteristic specifically associated with the phenotype of cells of a lineage of interest and can be used to assess the differentiation of an uncommitted cell to the lineage of interest.

- [0038] “Cells expressing markers characteristic of the definitive endoderm lineage”, or “Stage 1 cells”, or “Stage 1”, as used herein, refers to cells expressing at least one of the following markers: SOX17, GATA4, HNF3 beta, GSC, CER1, Nodal, FGF8, Brachyury, Mix-like homeobox protein, FGF4 CD48, eomesodermin (EOMES), DKK4, FGF17, GATA6, CXCR4, C-Kit, CD99, or OTX2. Cells expressing markers characteristic of the definitive endoderm lineage include primitive streak precursor cells, primitive streak cells, mesendoderm cells and definitive endoderm cells.
- [0039] “Cells expressing markers characteristic of the pancreatic endoderm lineage”, as used herein, refers to cells expressing at least one of the following markers: PDX1, NKX6.1, HNF1 beta, PTF1 alpha, HNF6, HNF4 alpha, SOX9, HB9 or PROX1. Cells expressing markers characteristic of the pancreatic endoderm lineage include pancreatic endoderm cells, primitive gut tube cells, and posterior foregut cells.
- [0040] “Definitive endoderm”, as used herein, refers to cells which bear the characteristics of cells arising from the epiblast during gastrulation and which form the gastrointestinal tract and its derivatives. Definitive endoderm cells express the following markers: HNF3 beta, GATA4, SOX17, Cerberus, OTX2, goosecoid, C-Kit, CD99, and MIXL1.
- [0041] “Markers”, as used herein, are nucleic acid or polypeptide molecules that are differentially expressed in a cell of interest. In this context, differential expression means an increased level for a positive marker and a decreased level for a negative marker. The detectable level of the marker nucleic acid or polypeptide is sufficiently higher or lower in the cells of interest compared to other cells, such that the cell of interest can be identified and distinguished from other cells using any of a variety of methods known in the art.
- [0042] “Pancreatic endocrine cell”, or “Pancreatic hormone expressing cell”, or “Cells expressing markers characteristic of the pancreatic endocrine lineage” as used herein, refers to a cell capable of expressing at least one of the following hormones: insulin, glucagon, somatostatin, and pancreatic polypeptide.

Isolation, Expansion and Culture of Pluripotent Stem Cells

Characterization of Pluripotent Stem Cells

- [0043] Pluripotent stem cells may express one or more of the stage-specific embryonic antigens (SSEA) 3 and 4, and markers detectable using antibodies designated Tra-1-60 and Tra-1-81 (Thomson *et al.*, Science 282:1145, 1998). Differentiation of pluripotent stem cells *in vitro* results in the loss of SSEA-4, Tra 1-60, and Tra 1-81 expression (if present) and increased expression of SSEA-1. Undifferentiated pluripotent stem cells typically have alkaline phosphatase activity, which can be detected by fixing the cells with 4% paraformaldehyde, and then developing with Vector Red as a substrate, as described by the manufacturer (Vector Laboratories, Burlingame Calif.). Undifferentiated pluripotent stem cells also typically express OCT4 and TERT, as detected by RT-PCR.
- [0044] Another desirable phenotype of propagated pluripotent stem cells is a potential to differentiate into cells of all three germinal layers: endoderm, mesoderm, and ectoderm tissues. Pluripotency of pluripotent stem cells can be confirmed, for example, by injecting cells into severe combined immunodeficient (SCID) mice, fixing the teratomas that form using 4% paraformaldehyde, and then examining them histologically for evidence of cell types from the three germ layers. Alternatively, pluripotency may be determined by the creation of embryoid bodies and assessing the embryoid bodies for the presence of markers associated with the three germinal layers.
- [0045] Propagated pluripotent stem cell lines may be karyotyped using a standard G-banding technique and compared to published karyotypes of the corresponding primate species. It is desirable to obtain cells that have a "normal karyotype," which means that the cells are euploid, wherein all human chromosomes are present and not noticeably altered.

Sources of Pluripotent Stem Cells

- [0046] The types of pluripotent stem cells that may be used include established lines of pluripotent cells derived from tissue formed after gestation, including pre-embryonic tissue (such as, for example, a blastocyst), embryonic tissue, or fetal tissue taken any time during gestation, typically but not necessarily before approximately 10 to 12 weeks gestation. Non-limiting examples are established lines of human embryonic stem cells or human embryonic germ cells, such as, for example the human embryonic stem cell lines H1, H7, and H9 (WiCell). Also contemplated is use of the compositions of this disclosure during the initial establishment or stabilization of such cells, in which case the source cells would be primary pluripotent cells taken directly from the source tissues. Also suitable are cells taken from a pluripotent stem cell population already cultured in the absence of feeder cells. Also suitable are mutant human embryonic stem cell lines, such as, for example, BG01v (BresaGen, Athens, GA).
- [0047] In one embodiment, human embryonic stem cells are prepared as described by Thomson *et al.* (U.S. Pat. No. 5,843,780; Science 282:1145, 1998; Curr. Top. Dev. Biol. 38:133 ff., 1998; Proc. Natl. Acad. Sci. U.S.A. 92:7844, 1995).

Culture of Pluripotent Stem Cells

- [0048] In one embodiment, pluripotent stem cells are cultured on a layer of feeder cells that support the pluripotent stem cells in various ways. Alternatively, pluripotent stem cells are cultured in a culture system that is essentially free of feeder cells, but nonetheless supports proliferation of pluripotent stem cells without undergoing substantial differentiation. The growth of pluripotent stem cells in feeder-free culture without differentiation is supported using a medium conditioned by culturing previously with another cell type. Alternatively, the growth of pluripotent stem cells in feeder-free culture without differentiation is supported using a chemically defined medium.
- [0049] In one embodiment, pluripotent stem cells may be cultured on a mouse embryonic fibroblast feeder cell layer according to the methods disclosed in Reubinoff *et al* (Nature Biotechnology 18: 399 - 404 (2000)). Alternatively, pluripotent stem cells may be cultured on a mouse embryonic fibroblast feeder cell layer according to the

methods disclosed in Thompson *et al* (Science 6 November 1998: Vol. 282. no. 5391, pp. 1145 – 1147). Alternatively, pluripotent stem cells may be cultured on any one of the feeder cell layers disclosed in Richards *et al*, (Stem Cells 21: 546-556, 2003).

[0050] In one embodiment, pluripotent stem cells may be cultured on a human feeder cell layer according to the methods disclosed in Wang *et al* (Stem Cells 23: 1221-1227, 2005). In an alternate embodiment, pluripotent stem cells may be cultured on the human feeder cell layer disclosed in Stojkovic *et al* (Stem Cells 2005 23: 306-314, 2005). Alternatively, pluripotent stem cells may be cultured on the human feeder cell layer disclosed in Miyamoto *et al* (Stem Cells 22: 433-440, 2004). Alternatively, pluripotent stem cells may be cultured on the human feeder cell layer disclosed in Amit *et al* (Biol. Reprod 68: 2150-2156, 2003). Alternatively, pluripotent stem cells may be cultured on the human feeder cell layer disclosed in Inzunza *et al* (Stem Cells 23: 544-549, 2005).

[0051] In one embodiment, pluripotent stem cells may be cultured in culture media derived according to the methods disclosed in US20020072117. Alternatively, pluripotent stem cells may be cultured in culture media derived according to the methods disclosed in US6642048. Alternatively, pluripotent stem cells may be cultured in culture media derived according to the methods disclosed in WO2005014799. Alternatively, pluripotent stem cells may be cultured in culture media derived according to the methods disclosed in Xu *et al* (Stem Cells 22: 972-980, 2004). Alternatively, pluripotent stem cells may be cultured in culture media derived according to the methods disclosed in US20070010011. Alternatively, pluripotent stem cells may be cultured in culture media derived according to the methods disclosed in US20050233446. Alternatively, pluripotent stem cells may be cultured in culture media derived according to the methods disclosed in US6800480. Alternatively, pluripotent stem cells may be cultured in culture media derived according to the methods disclosed in WO2005065354.

[0052] In one embodiment, pluripotent stem cells may be cultured according to the methods disclosed in Cheon *et al* (BioReprod DOI:10.1095/biolreprod.105.046870, October 19, 2005). Alternatively, pluripotent stem cells may be cultured according to the methods disclosed in Levenstein *et al* (Stem Cells 24: 568-574, 2006). Alternatively, pluripotent stem cells may be cultured according to the methods disclosed in

US20050148070. Alternatively, pluripotent stem cells may be cultured according to the methods disclosed in US20050244962. Alternatively, pluripotent stem cells may be cultured according to the methods disclosed in WO2005086845.

- [0053] The pluripotent stem cells may be plated onto a suitable culture substrate. In one embodiment, the suitable culture substrate is an extracellular matrix component, such as, for example, those derived from basement membrane or that may form part of adhesion molecule receptor-ligand couplings. In one embodiment, a the suitable culture substrate is MATRIGEL® (Becton Dickenson). MATRIGEL® is a soluble preparation from Engelbreth-Holm Swarm tumor cells that gels at room temperature to form a reconstituted basement membrane.
- [0054] Other extracellular matrix components and component mixtures are suitable as an alternative. Depending on the cell type being proliferated, this may include laminin, fibronectin, proteoglycan, entactin, heparan sulfate, and the like, alone or in various combinations.
- [0055] The pluripotent stem cells may be plated onto the substrate in a suitable distribution and in the presence of a medium that promotes cell survival, propagation, and retention of the desirable characteristics. All these characteristics benefit from careful attention to the seeding distribution and can readily be determined by one of skill in the art.
- [0056] Suitable culture media may be made from the following components, such as, for example, Dulbecco's modified Eagle's medium (DMEM), Gibco # 11965-092; Knockout Dulbecco's modified Eagle's medium (KO DMEM), Gibco #10829-018; Ham's F12/50% DMEM basal medium; 200 mM L-glutamine, Gibco # 15039-027; non-essential amino acid solution, Gibco 11140-050; β -mercaptoethanol, Sigma # M7522; human recombinant basic fibroblast growth factor (bFGF), Gibco # 13256-029.

**Formation of Cells Expressing Markers Characteristic of the Pancreatic
Endoderm Lineage from Pluripotent Stem Cells**

- [0057] In one embodiment, the present invention provides a method for producing a population of cells expressing markers characteristic of the pancreatic endoderm lineage from pluripotent stem cells, comprising the steps of:
- a. Culturing a population of pluripotent stem cells,
 - b. Differentiating the population of pluripotent stem cells into a population of cells expressing markers characteristic of the definitive endoderm lineage, and
 - c. Differentiating the population of cells expressing markers characteristic of the definitive endoderm lineage into a population of cells expressing markers characteristic of the pancreatic endoderm lineage, by treating the population of cells expressing markers characteristic of the definitive endoderm lineage with medium supplemented with a protein kinase C activator.
- [0058] In one aspect of the present invention, the present invention provides a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 50% of the population co-express PDX-1 and NKX6.1. In an alternate embodiment, the present invention provides a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 60% of the population co-express PDX-1 and NKX6.1. In an alternate embodiment, the present invention provides a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 70% of the population co-express PDX-1 and NKX6.1. In an alternate embodiment, the present invention provides a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 80% of the population co-express PDX-1 and NKX6.1. In an alternate embodiment, the present invention provides a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 90% of the population co-express PDX-1 and NKX6.1.
- [0059] In one aspect of the present invention, the population of cells expressing markers characteristic of the pancreatic endoderm lineage may be further treated to form a

population of cells expressing markers characteristic of the pancreatic endocrine lineage.

- [0060] The efficiency of differentiation may be determined by exposing a treated cell population to an agent (such as an antibody) that specifically recognizes a protein marker expressed by cells expressing markers characteristic of the desired cell type.
- [0061] Methods for assessing expression of protein and nucleic acid markers in cultured or isolated cells are standard in the art. These include quantitative reverse transcriptase polymerase chain reaction (RT-PCR), Northern blots, *in situ* hybridization (see, e.g., Current Protocols in Molecular Biology (Ausubel *et al.*, eds. 2001 supplement)), and immunoassays such as immunohistochemical analysis of sectioned material, Western blotting, and for markers that are accessible in intact cells, flow cytometry analysis (FACS) (see, e.g., Harlow and Lane, Using Antibodies: A Laboratory Manual, New York: Cold Spring Harbor Laboratory Press (1998)).
- [0062] Characteristics of pluripotent stem cells are well known to those skilled in the art, and additional characteristics of pluripotent stem cells continue to be identified. Pluripotent stem cell markers include, for example, the expression of one or more of the following: ABCG2, CRIPTO, FOXD3, CONNEXIN43, CONNEXIN45, OCT4, SOX2, NANOG, hTERT, UTF1, ZFP42, SSEA-3, SSEA-4, Tra 1-60, Tra 1-81.
- [0063] After treating pluripotent stem cells with the methods of the present invention, the differentiated cells may be purified by exposing a treated cell population to an agent (such as an antibody) that specifically recognizes a protein marker, such as CXCR4, expressed by cells expressing markers characteristic of the definitive endoderm lineage.
- [0064] Pluripotent stem cells suitable for use in the present invention include, for example, the human embryonic stem cell line H9 (NIH code: WA09), the human embryonic stem cell line H1 (NIH code: WA01), the human embryonic stem cell line H7 (NIH code: WA07), and the human embryonic stem cell line SA002 (Cellartis, Sweden). Also suitable for use in the present invention are cells that express at least one of the following markers characteristic of pluripotent cells: ABCG2, CRIPTO, CD9, FOXD3, CONNEXIN43, CONNEXIN45, OCT4, SOX2, NANOG, hTERT, UTF1, ZFP42, SSEA-3, SSEA-4, Tra 1-60, and Tra 1-81.

- [0065] Markers characteristic of the definitive endoderm lineage are selected from the group consisting of SOX17, GATA4, HNF3 beta, GSC, CER1, Nodal, FGF8, Brachyury, Mix-like homeobox protein, FGF4, CD48, eomesodermin (EOMES), DKK4, FGF17, GATA6, CXCR4, C-Kit, CD99, and OTX2. Suitable for use in the present invention is a cell that expresses at least one of the markers characteristic of the definitive endoderm lineage. In one aspect of the present invention, a cell expressing markers characteristic of the definitive endoderm lineage is a primitive streak precursor cell. In an alternate aspect, a cell expressing markers characteristic of the definitive endoderm lineage is a mesendoderm cell. In an alternate aspect, a cell expressing markers characteristic of the definitive endoderm lineage is a definitive endoderm cell.
- [0066] Markers characteristic of the pancreatic endoderm lineage are selected from the group consisting of PDX1, NKX6.1, HNF1 beta, PTF1 alpha, HNF6, HNF4 alpha, SOX9, HB9 and PROX1. Suitable for use in the present invention is a cell that expresses at least one of the markers characteristic of the pancreatic endoderm lineage. In one aspect of the present invention, a cell expressing markers characteristic of the pancreatic endoderm lineage is a pancreatic endoderm cell.
- [0067] Markers characteristic of the pancreatic endocrine lineage are selected from the group consisting of NGN3, NEUROD, NKX2.2, PDX1, NKX6.1, PAX4, and PAX6. In one embodiment, a pancreatic endocrine cell is capable of expressing at least one of the following hormones: insulin, glucagon, somatostatin, and pancreatic polypeptide. Suitable for use in the present invention is a cell that expresses at least one of the markers characteristic of the pancreatic endocrine lineage. In one aspect of the present invention, a cell expressing markers characteristic of the pancreatic endocrine lineage is a pancreatic endocrine cell. The pancreatic endocrine cell may be a pancreatic hormone-expressing cell. Alternatively, the pancreatic endocrine cell may be a pancreatic hormone-secreting cell.
- [0068] In one aspect of the present invention, the pancreatic endocrine cell is a cell expressing markers characteristic of the β cell lineage. A cell expressing markers characteristic of the β cell lineage expresses PDX1 and at least one of the following transcription factors: NGN3, NKX2.2, NKX6.1, NEUROD, ISL1, HNF3 beta,

MAFA, PAX4, and PAX6. In one aspect of the present invention, a cell expressing markers characteristic of the β cell lineage is a β cell.

*Differentiation of Pluripotent Stem Cells into Cells Expressing Markers
Characteristic of the Definitive Endoderm Lineage*

- [0069] Formation of cells expressing markers characteristic of the definitive endoderm lineage may be determined by testing for the presence of the markers before and after following a particular protocol. Pluripotent stem cells typically do not express such markers. Thus, differentiation of pluripotent cells is detected when cells begin to express them.
- [0070] Pluripotent stem cells may be differentiated into cells expressing markers characteristic of the definitive endoderm lineage by any method in the art or by any method proposed in this invention.
- [0071] For example, pluripotent stem cells may be differentiated into cells expressing markers characteristic of the definitive endoderm lineage according to the methods disclosed in D'Amour *et al*, Nature Biotechnology 23, 1534 – 1541 (2005).
- [0072] For example, pluripotent stem cells may be differentiated into cells expressing markers characteristic of the definitive endoderm lineage according to the methods disclosed in Shinozaki *et al*, Development 131, 1651 - 1662 (2004).
- [0073] For example, pluripotent stem cells may be differentiated into cells expressing markers characteristic of the definitive endoderm lineage according to the methods disclosed in McLean *et al*, Stem Cells 25, 29 - 38 (2007).
- [0074] For example, pluripotent stem cells may be differentiated into cells expressing markers characteristic of the definitive endoderm lineage according to the methods disclosed in D'Amour *et al*, Nature Biotechnology 24, 1392 – 1401 (2006).
- [0075] For example, pluripotent stem cells may be differentiated into cells expressing markers characteristic of the definitive endoderm lineage by treating the pluripotent stem cells according to the methods disclosed in US patent application Ser. No. 11/736,908.

- [0076] For example, pluripotent stem cells may be differentiated into cells expressing markers characteristic of the definitive endoderm lineage by treating the pluripotent stem cells according to the methods disclosed in US patent application Ser. No. 11/779,311.
- [0077] For example, pluripotent stem cells may be differentiated into cells expressing markers characteristic of the definitive endoderm lineage by treating the pluripotent stem cells according to the methods disclosed in US patent application Ser. No. 60/990,529.
- [0078] For example, pluripotent stem cells may be differentiated into cells expressing markers characteristic of the definitive endoderm lineage by treating the pluripotent stem cells according to the methods disclosed in US patent application Ser. No. 61/076,889.
- [0079] For example, pluripotent stem cells may be differentiated into cells expressing markers characteristic of the definitive endoderm lineage by treating the pluripotent stem cells according to the methods disclosed in US patent application Ser. No. 61/076,900.
- [0080] For example, pluripotent stem cells may be differentiated into cells expressing markers characteristic of the definitive endoderm lineage by treating the pluripotent stem cells according to the methods disclosed in US patent application Ser. No. 61/076,908.
- [0081] For example, pluripotent stem cells may be differentiated into cells expressing markers characteristic of the definitive endoderm lineage by treating the pluripotent stem cells according to the methods disclosed in US patent application Ser. No. 61/076,915.

*Differentiation of Cells Expressing Markers Characteristic of the Definitive
Endoderm Lineage into Cells Expressing Markers Characteristic of the Pancreatic
Endoderm Lineage*

- [0082]** In one embodiment, the present invention provides a method for producing a population of cells expressing markers characteristic of the pancreatic endoderm lineage from pluripotent stem cells, comprising the steps of:
- a. Culturing a population of pluripotent stem cells,
 - b. Differentiating the population of pluripotent stem cells into a population of cells expressing markers characteristic of the definitive endoderm lineage, and
 - c. Differentiating the population of cells expressing markers characteristic of the definitive endoderm lineage into a population of cells expressing markers characteristic of the pancreatic endoderm lineage, by treating the population of cells expressing markers characteristic of the definitive endoderm lineage with medium supplemented with a protein kinase C activator.
- [0083]** In one aspect of the present invention, the present invention provides a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 50% of the population co-express PDX-1 and NKX6.1. In an alternate embodiment, the present invention provides a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 60% of the population co-express PDX-1 and NKX6.1. In an alternate embodiment, the present invention provides a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 70% of the population co-express PDX-1 and NKX6.1. In an alternate embodiment, the present invention provides a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 80% of the population co-express PDX-1 and NKX6.1. In an alternate embodiment, the present invention provides a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 90% of the population co-express PDX-1 and NKX6.1.
- [0084]** In one embodiment, the protein kinase C activator is selected from the group consisting of (2S, 5S)-(E, E)-8-(5-(4-(Trifluoromethyl)phenyl)-2,4-

pentadiemoylamino) benzolactam, Indolactam V (ILV), phorbol-12-myristate-13-acetate (PMA), and phorbol-12,13-dibutyrate (PDBu). In one embodiment, the protein kinase C activator is (2S, 5S)-(E, E)-8-(5-(4-(Trifluoromethyl)phenyl)-2,4-pentadiemoylamino) benzolactam. (2S, 5S)-(E, E)-8-(5-(4-(Trifluoromethyl)phenyl)-2,4-pentadiemoylamino) benzolactam may be used at a concentration from about 20nM to about 500nM. (2S, 5S)-(E, E)-8-(5-(4-(Trifluoromethyl)phenyl)-2,4-pentadiemoylamino) benzolactam, is referred to herein as “TPB”.

- [0085] In one embodiment, the medium supplemented with a protein kinase C activator is further supplemented with at least one factor selected from the group consisting of a factor capable of inhibiting BMP, a TGF β receptor signaling inhibitor, and a fibroblast growth factor.
- [0086] In one embodiment, the factor capable of inhibiting BMP is noggin. Noggin may be used at a concentration from about 50ng/ml to about 500 μ g/ml. In one embodiment, noggin is used at a concentration of 100ng/ml.
- [0087] In one embodiment, the TGF β receptor signaling inhibitor is an inhibitor of ALK5. In one embodiment, the inhibitor of ALK5 is ALK5 inhibitor II. The ALK5 inhibitor II may be used at a concentration from about 0.1 μ M to about 10 μ M. In one embodiment, ALK5 inhibitor II is used at a concentration of 1 μ M.
- [0088] In one embodiment, the fibroblast growth factor is FGF7. In an alternate embodiment, the fibroblast growth factor is FGF10.
- [0089] In one embodiment, the fibroblast growth factor may be used at a concentration from about 50pg/ml to about 50 μ g/ml. In one embodiment, the fibroblast growth factor is used at a concentration of 50ng/ml.

*Differentiation of Cells Expressing Markers Characteristic of the Pancreatic
Endoderm Lineage into Cells Expressing Markers of the Pancreatic Endocrine
Lineage*

- [0090] In one embodiment, populations of cells expressing markers characteristic of the pancreatic endoderm lineage are further differentiated into populations of cells expressing markers characteristic of the pancreatic endocrine lineage by any method in the art.
- [0091] For example, populations of cells expressing markers characteristic of the pancreatic endoderm lineage may be further differentiated into populations of cells expressing markers characteristic of the pancreatic endocrine lineage, by treating the population of cells expressing markers characteristic of the pancreatic endoderm lineage according to the methods disclosed in D' Amour *et al*, Nature Biotechnology, 2006.
- [0092] For example, populations of cells expressing markers characteristic of the pancreatic endoderm lineage may be further differentiated into populations of cells expressing markers characteristic of the pancreatic endocrine lineage, by treating the population of cells expressing markers characteristic of the pancreatic endoderm lineage according to the methods disclosed d in D' Amour *et al*, Nature Biotechnology, 2006.
- [0093] For example, populations of cells expressing markers characteristic of the pancreatic endoderm lineage may be further differentiated into populations of cells expressing markers characteristic of the pancreatic endocrine lineage, by treating the population of cells expressing markers characteristic of the pancreatic endoderm lineage according to the methods disclosed in US patent application Ser. No. 11/736,908.
- [0094] For example, populations of cells expressing markers characteristic of the pancreatic endoderm lineage may be further differentiated into populations of cells expressing markers characteristic of the pancreatic endocrine lineage, by treating the population of cells expressing markers characteristic of the pancreatic endoderm lineage according to the methods disclosed in US patent application Ser. No. 11/779,311.
- [0095] For example, populations of cells expressing markers characteristic of the pancreatic endoderm lineage may be further differentiated into populations of cells expressing markers characteristic of the pancreatic endocrine lineage, by treating the population

of cells expressing markers characteristic of the pancreatic endoderm lineage according to the methods disclosed in US patent application Ser. No. 60/953,178.

[0096] For example, populations of cells expressing markers characteristic of the pancreatic endoderm lineage may be further differentiated into populations of cells expressing markers characteristic of the pancreatic endocrine lineage, by treating the population of cells expressing markers characteristic of the pancreatic endoderm lineage according to the methods disclosed in US patent application Ser. No. 60/990,529.

[0097] For example, populations of cells expressing markers characteristic of the pancreatic endoderm lineage may be further differentiated into populations of cells expressing markers characteristic of the pancreatic endocrine lineage, by treating the population of cells expressing markers characteristic of the pancreatic endoderm lineage according to the methods disclosed in US patent application Ser. No. 61/289,671.

[0098] The present invention is further illustrated, but not limited by, the following examples.

EXAMPLES

Example 1

Formation of the Population of Cells of the Present Invention

[0099] Cells of the human embryonic stem cells line H1 were cultured on MATRIGEL[®] (1:30 dilution) (BD Biosciences; Cat # 356231)- coated dishes with RPMI medium (Invitrogen; Cat #: 22400) + 0.2% FBS + 100 ng/ml activin A (PeproTech; Cat #120-14) + 20 ng/ml WNT-3a (R&D Systems; Cat # 1324-WN/CF) for one day, followed by treatment with RPMI media supplemented with 0.5% FBS + 100 ng/ml activin A for an additional two days (Stage 1), then,

- a. DMEM/F12 + 2% FBS + 50 ng/ml FGF7 for three days (Stage 2), then
- b. DMEM-High glucose + 1% B27+ 0.25 μ M Cyclopamine- KAAD + 2 μ M Retinoic acid (RA) + 100 ng/ml of Noggin for four days (Stage 3), then either

- c. Treatment 1: DMEM-High glucose + 1% B27 for four days (stage 4-basal media- BM), or
- d. Treatment 2: DMEM-High glucose + 1% B27 + 100 ng/ml Noggin + 1 μ M ALK5 inhibitor II for four days (stage 4), or
- e. Treatment 3: DMEM-High glucose + 1% B27 + 100 ng/ml Noggin + 1 μ M ALK5 inhibitor II + 20nM Phorbol-12,13-dibutyrate (PDBu) (Calbiochem, cat#524390) for four days (Stage 4).

[0100] Cultures were sampled in duplicate on stage 4 day 4, and imaging was performed using an IN Cell Analyzer 1000 (GE Healthcare). Images from 100 fields per well were acquired to compensate for any cell loss during the bioassay and subsequent staining procedures. Measurements for total cell number, total PDX1 expressing cells, total NKX6.1 expressing cells and total CDX-2 expressing cells were obtained from each well using the IN Cell Developer Toolbox 1.7 (GE Healthcare) software. Averages and standard deviations were calculated for each replicate data set. Total PDX1, NKX6.1 and CDX-2 expressing cells were reported as a percentage of the total cell population.

[0101] As shown in Figure 2A, in all experimental populations at the end of stage 4, day 4, approximately $92\% \pm 4\%$ of the cells in the population expressed PDX1. However, treatment with PDBu (a protein kinase C activator) evoked a significant increase in the percentage of NKX6.1 expressing cells in the PDX1 expressing population (Figure 2A), when compared to populations of cells treated with either basal media (Treatment 1), or ALK5 inhibitor II plus Noggin (Treatment 2). In the PDBu treated group, $88\% \pm 4.2\%$ of total population expressed NKX6.1, while $62\% \pm 8\%$ of the cells receiving treatment 2 expressed NKX6.1, and $46.7 \pm 0.2\%$ of the cells receiving treatment 1 expressed NKX6.1. Most of the NKX6.1-expressing cells at stage 4 also expressed PDX1. These observations were confirmed by overlaying the images of PDX1 expression and NKX6.1 expression obtained from a given cell population (Figure 1A). These data indicate that treatment of the cells with medium supplemented with a protein kinase C activator increased the percentage of cells that co-express PDX1 and NKX6.1 in a population of cells that express markers characteristic of the pancreatic endoderm lineage.

- [0102] In the population of cells that received treatment 1, 10% of the cells expressed CDX2 (an intestinal marker) (Figure 2A). Less than 5% of the cells expressed CDX2 in populations of cells that received either treatment 2 or 3. In any case, most of the CDX2 expressing cells did not co-express PDX1 and NKX6.1.
- [0103] Parallel populations of Stage 3 cells were also treated with the following protein kinase C activators – phorbol-12-myristate-13-acetate (PMA) at a concentration of 20 nM (Calbiochem #524400), or [(2S, 5S)-(E, E)-8-(5-(4-(Trifluoromethyl)phenyl)-2,4-pentadienoylamino)benzolactam] (TPB) at a concentration of 50 nM (Calbiochem #565740), substituted for PDBu in treatment 3 above. At the end of stage 4, day 4, 91% of the cells of the population treated with PMA, and 90% of the cells of the population treated with TPB expressed NKX6.1. No significant difference was observed in total PDX1 expressing cells among all the treatments. See Figure 2B.
- [0104] This example demonstrates that protein kinase C activators can be used at a relatively low concentration to facilitate the up-regulation of NKX6.1 expression, and increase the percentage of cells co-expressing PDX1 and NKX6.1 within a population of cells expressing markers characteristic of the pancreatic endoderm lineage.

Example 2

Implantation of the Cells of the Present Invention into Severe Combined Immunodeficient (SCID) – beige (Bg) Mice

- [0105] Cells of the human embryonic stem cells line H1 were cultured on MATRIGEL[®] (1:30 dilution)- coated dishes with RPMI medium + 0.2% FBS + 100 ng/ml activin A + 20 ng/ml WNT-3a for one day followed by treatment with RPMI media + 0.5% FBS + 100 ng/ml activin A for an additional two days (Stage 1), then,
- a. DMEM/F12+ 2% FBS + 50 ng/ml FGF7 for three days (Stage 2), then
 - b. DMEM-High glucose + 1% B27+ 0.25 μ M Cyclopamine- KAAD + 2 μ M Retinoic acid (RA) + 100 ng/ml of Noggin for four days (Stage 3), then
 - c. DMEM-High glucose + 1% B27 + 100 ng/ml Noggin + 1 μ M ALK5 inhibitor II + 50nM TPB for four days (Stage 4).

- [0106] Five to six-week-old male scid-beige mice (C.B-*Igh-1b/GbmsTac-Prkdc^{scid}-Lysf^{bg}* N7) were purchased from Taconic Farms. Mice were housed in microisolator cages with free access to sterilized food and water. In preparation for surgery, mice were identified by ear tagging and their body weight measured and their blood glucose determine by a hand held glucometer (One Touch, LifeScan).
- [0107] Mice were anesthetized with a mixture of isoflurane and oxygen and the surgical site was shaved with small animal clippers. Mice were dosed with 0.1 mg.kg Buprenex subcutaneously pre-operatively. The surgical site was prepared with successive washes of 70% isopropyl alcohol and 10% povidone-iodide.
- [0108] Cells at the end of stage four were mechanically scored using a 1-ml glass pipette and subsequently transferred to non-adherent plates for culture overnight. During the preoperative preparation of the mice, the cells were centrifuged in a 1.5 ml microfuge tube and most of the supernatant removed, leaving just enough to collect the pellet of cells. The cells were collected into a Rainin Pos-D positive displacement pipette and the pipette was inverted to allow for the cells to settle by gravity. The excess media was dispensed leaving a packed cell preparation for transplant.
- [0109] For transplantation, a 24G x 3/4" I.V. catheter was used to penetrate the kidney capsule and the needle was removed. The catheter was then advanced under the kidney capsule to the distal pole of the kidney. The Pos-D pipette tip was placed firmly in the hub of the catheter and the 5 million cells dispensed from the pipette through the catheter under the kidney capsule and delivered to the distal pole of the kidney. The kidney capsule was sealed with a low temperature cautery and the kidney was returned its original anatomical position. In parallel, cell aggregates containing 5 million cells were loaded into the 50- μ l device using Post-D pipette tip. The 50- μ l devices were purchased from TheraCyte, Inc (Irvine, CA). The device was sealed by medical adhesive silicone type A (Dow Corning, Cat#129109) after the loading, and implanted subcutaneously into SICD/Bg mice (animal Nos.3 and 4). The muscle was closed with continuous sutures using 5-0 vicryl and the skin closed with wound clips. Mice were dosed with 1.0 mg.kg Metacam subcutaneously post-operatively. The mouse was removed from the anesthesia and allowed to fully recover.

- [0110] Following transplantation, mice were weighed once per week and blood glucose measured twice a week. At various intervals following transplantation, mice were dosed with 3 g/kg glucose IP and blood drawn via the retro-orbital sinus 60 minutes following glucose injection into microfuge tubes containing a small amount of heparin. The blood was centrifuged and the plasma placed into a second microfuge tube and frozen on dry ice and then stored at -80°C until human c-peptide assay was performed. Human c-peptide levels were determined using the Mercodia/ALPCO Diagnostics Ultrasensitive C-peptide ELISA (Cat No. 80-CPTHU-E01, Alpcos Diagnostics, NH) according to the manufacturer's instructions.
- [0111] Human C-peptide was detected in animal serum as early as 4 to 6 weeks in both kidney capsule group and the group received Theracyte device after transplantation and increased over time (Figures 3A and 3B). At the end of three months, we were able to detect significant amount of circulating human C-peptide in response to glucose administration in 100% of the animals in both the kidney capsule and the group transplanted with the Theracyte device. Glucose stimulated serum level of human C-peptide in the kidney capsule group was 1.7 ± 0.5 ng/ml after three month (n=4), and human C-peptide in the mice received Theracyte device transplantation was 1 ± 0.5 ng/ml (n=2) (Figure 3C).
- [0112] This example demonstrates that PDX1 and NKX6.1 co-expressing cell population generated by protein kinase C activators has the competency to further differentiate into insulin-secreting cells *in vivo*. The potency of further differentiation into insulin-secreting cells does not depend on the local environment. We demonstrate that PDX1 and NKX6.1 co-expressing cells can further differentiate into insulin-secreting cells in both kidney capsule and within the immunoprotective device in subcutaneous site.

Example 3

An Alternative Method for the Formation of the Population of Cells of the Present Invention

- [0113] Cells of the human embryonic stem cells line H1 were cultured on MATRIGEL[®] (1:30 dilution) (BD Biosciences; Cat # 356231)- coated dishes with RPMI medium (Invitrogen; Cat #: 22400) + 0.2% FBS + 100 ng/ml activin A (PeproTech; Cat #120-

14) + 20 ng/ml WNT-3a (R&D Systems; Cat # 1324-WN/CF) for one day, followed by treatment with RPMI media supplemented with 0.5% FBS + 100 ng/ml activin A for an additional two days (Stage 1), then,

- a. DMEM/F12 + 2% FBS + 50 ng/ml FGF7 for three days (Stage 2), then
- b. DMEM-High glucose + 1% B27+ 0.25 μ M Cyclopamine- KAAD + 2 μ M Retinoic acid (RA) + 100 ng/ml of Noggin for four days (Stage 3), then either
- c. Treatment 4: DMEM-High glucose + 1% B27 + 20nM PDBu+100 ng/ml Noggin for four days (Stage 4), or
- d. Treatment 5: DMEM-High glucose + 1% B27 + 100 ng/ml Noggin + 1 μ M ALK5 inhibitor II + 20nM PDBu for four days (Stage 4), or
- e. Treatment 6: DMEM-High glucose + 1% B27 + 50 ng/ml FGF10 + 20nM PDBu for four days (Stage 4).

[0114] The effect of additional factors on the protein kinase C activator-mediated increase in the percentage of cells that co-express PDX1 and NKX6.1 was investigated. Cultures were sampled in duplicate on stage 4 day 4, and imaging analysis was performed as described in Example 1 above. The expression of ISL1 and NEUROD1 were also recorded.

[0115] In this study, the majority of the population of cells expressing markers characteristic of the pancreatic endoderm lineage were positive for the expression of PDX1. Most of the PDX1 expressing cells were also co-positive for NKX6.1. As shown in Table 1, the addition of PKC activator alone facilitated the formation of NKX6.1 expressing cells in the population of cells expressing markers characteristic of the pancreatic endoderm lineage (treatment 4). By day 4 of stage 4, 93% of the total population was NKX6.1 positive, and almost all of the NKX6.1 expressing cells were positive for the expression of PDX1.

[0116] The addition of ALK5 inhibitor II to the medium supplemented with the protein kinase C activator (treatment 5) had no effect on the increases in NKX6.1 expression observed. 57.1% of the cells in the population expressed NEUROD1 and 52.4% of

the cells in the population expressed ISL1, suggesting an increase in the percentage of endocrine precursor cells in the population, following this treatment. See Table 1.

[0117] PCR analysis on the samples obtained from this example revealed that the expression of PDX1, NKX6.1 and PTF1 alpha increased in populations of cells that received treatment 4, when compared to cells that received treatment 5. See Figures 4A-4D. On the other hand, a significant increase in the expression of NGN3 was observed in cells that received ALK5 inhibitor 2 and PDBu (treatment 5). See Figures 4A-4D.

[0118] The effect of the addition of FGF10 to the medium supplemented with the protein kinase C activator (treatment 6) was also investigated. The addition of FGF10 at a concentration of 50ng/ml in combination with PDBu (treatment 6) generated a population of cells expressing markers characteristic of the pancreatic endoderm lineage wherein 90% of the cells in the population expressed NKX6.1, however, a lot of NKX6.1 expressing cells were also CDX2 positive. See Table 1. The level of mRNA for PDX1, NKX6.1 and PTF1 alpha did not increase over that observed in cells treated with PDBu and Noggin. See Figures 4A-4D.

[0119] This example demonstrates that a protein kinase C activator at a relatively low concentration (approximately 20nM) in combination with BMP inhibitor can be used to generate a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 90% of the cells co-express PDX1 and NKX6.1.

Table 1

	Percentage of Total Population				
	PDX-1	NKX6.1	ISL-1	CDX-2	NeuroD1
PDBu+NG (Treatment 4)	94.2	91.5	32.2	8.9	22.3
Alk5i+NG+PDBu (Treatment 5)	90.7	80.3	52.4	15	57.1
FGF10+PDBu (Treatment 6)	98.3	95	10.1	51.1	12.2

Example 4

An Alternative Method for the Formation of the Population of Cells of the Present Invention

[0120] Cells of the human embryonic stem cells line H1 were cultured on MATRIGEL[®] (1:30 dilution) (BD Biosciences; Cat # 356231)- coated dishes with RPMI medium (Invitrogen; Cat #: 22400) + 0.2% FBS + 100 ng/ml activin A (PeproTech; Cat #120-14) + 20 ng/ml WNT-3a (R&D Systems; Cat # 1324-WN/CF) for one day, followed by treatment with RPMI media supplemented with 0.5% FBS + 100 ng/ml activin A for an additional two days (Stage 1), then,

- a. DMEM/F12 + 2% FBS + 50 ng/ml FGF7 for three days (Stage 2), then either
- b. Treatment 7 (T7): DMEM-High glucose + 1% B27+ 0.25 μ M Cyclopamine- KAAD + 2 μ M Retinoic acid (RA) + 100 ng/ml of Noggin for four days (Stage 3), or
- c. Treatment 8 (T8): DMEM-High glucose + 1% B27+ 0.25 μ M Cyclopamine- KAAD + 2 μ M Retinoic acid (RA) + 100 ng/ml of Noggin + FGF7 50ng/ml for four days (Stage 3), then either
- d. Treatment 9 (T9): DMEM-High glucose + 1% B27 + 100 ng/ml Noggin + 1 μ M ALK5 inhibitor II + 20nM PDBu for four days (Stage 4), or
- e. Treatment 10 (T10): DMEM-High glucose + 1% B27 + 50 ng/ml FGF10 + 20nM PDBu for four day (Stage 4), or
- f. Treatment 11 (T11): DMEM-High glucose + 1% B27 + 20nM PDBu +100 ng/ml Noggin for four days (Stage 4).

[0121] Cultures were sampled in duplicate on stage 4 day 4, and imaging was performed using an IN Cell Analyzer 1000 (GE Healthcare). Images from 100 fields per well were acquired to compensate for any cell loss during the bioassay and subsequent staining procedures. Measurements for total cell number, total PDX1 expressing cells, total NKX6.1 expressing cells and total CDX2 expressing cells were obtained from each well using the IN Cell Developer Toolbox 1.7 (GE Healthcare) software. Averages and standard deviations were calculated for each replicate data set. Total PDX1, NKX6.1 and CDX-2 expressing cells were reported as a percentage of the total cell population.

- [0122]** In the populations of cells treated with T7 followed by T9 media, approximately 80% of the cells in the population expressed NKX6.1. See Table 2. In populations of cells treated with T7 followed by T10 media, 90% of the cells expressed NKX6.1, however, more CDX2 expressing cells were observed in this treatment. See Table 2. Treating populations of cells with T7 followed by T11 media created a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein 93% of the cells in the population expressed NKX6.1. Most NKX6.1 expressing cells in the populations also expressed PDX1.
- [0123]** Cultures treated with T8 followed by T9 media created a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein 56.7% of the cells in the population expressed NKX6.1. See Table 2. Cultures treated with T8 followed by T10 media created a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein 63.5% of the cells in the population expressed NKX6.1, we observed more CDX2 expressing cells following this treatment. See Table 2. Cultures treated with T8 followed by T11 media created a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein 74% of the cells in the population expressed NKX6.1. See Table 2. Most of the NKX6.1 expressing cells also expressed PDX1.
- [0124]** PCR analysis also supported the IN Cell analysis, in that treatment with retinoic acid, cyclopamine and Noggin at stage three followed by addition of a PKC activator at stage 4 resulted in an increase in mRNA levels of NKX6.1 and PTF1 alpha by stage four day four (Figures 5A-5D).

Table 2

	Treatment 7 (RA+Noggin+Cyclopamine)			Treatment 8 (RA+Noggin+Cyclopamine+FGF7)		
	PDX-1	NKX6.1	CDX2	PDX-1	NKX6.1	CDX2

Treatment 9	95.6	80.5	3.1	93.6	56.7	3.2
Treatment 10	98.3	90.1	32	92.8	63.5	12
Treatment 11	96.6	93.1	12.9	94.2	74.6	5.5

[0125] Publications cited throughout this document are hereby incorporated by reference in their entirety. Although the various aspects of the invention have been illustrated above by reference to examples and preferred embodiments, it will be appreciated that the scope of the invention is defined not by the foregoing description but by the following claims properly construed under principles of patent law.

CLAIMS

1. A population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 50% of cells in the population co-express PDX1 and NKX6.1.
2. The population of cells of claim 1 wherein greater than 60% of the cells in the population co-express PDX1 and NKX6.1.
3. The population of cells of claim 1 wherein greater than 70% of the cells in the population co-express PDX1 and NKX6.1.
4. The population of cells of claim 1 wherein greater than 80% of the cells in the population co-express PDX1 and NKX6.1.
5. The population of cells of claim 1 wherein greater than 90% of the cells in the population co-express PDX1 and NKX6.1.
6. A method to generate a population of cells expressing markers characteristic of the pancreatic endoderm lineage, wherein greater than 50% of the cells in the population co-express PDX1 and NKX6.1, comprising the steps of:
 - a. Culturing a population of pluripotent stem cells,
 - b. Differentiating the population of pluripotent stem cells into a population of cells expressing markers characteristic of the definitive endoderm lineage,
 - c. Differentiating the population of cells expressing markers characteristic of the definitive endoderm lineage into a population of cells expressing markers characteristic of the pancreatic endoderm lineage, in a medium supplemented with a protein kinase C activator.
7. The method of claim 6 wherein the protein kinase C activator is selected from the group consisting of (2S, 5S)-(E, E)-8-(5-(4-(Trifluoromethyl)phenyl)-2,4-pentadienylamino) benzolactam, Indolactam V, phorbol-12-myristate-13-acetate, and phorbol-12,13-dibutyrate.

8. The method of claim 6 wherein the protein kinase C activator is (2S, 5S)-(E, E)-8-(5-(4-(Trifluoromethyl)phenyl)-2,4-pentadienylamino) benzolactam.
9. The method of claim 8 wherein the (2S, 5S)-(E, E)-8-(5-(4-(Trifluoromethyl)phenyl)-2,4-pentadienylamino) benzolactam is used at a concentration from about 20nM to about 500nM.
10. The method of claim 6, wherein the medium supplemented with a protein kinase C activator is further supplemented with at least one factor from the group consisting of a factor capable of inhibiting BMP, a TGF β receptor signaling inhibitor, and a fibroblast growth factor.
11. The method of claim 10 wherein the factor capable of inhibiting BMP is noggin.
12. The method of claim 11 wherein noggin is used at a concentration from about 50ng/ml to about 500 μ g/ml.
13. The method of claim 11 wherein noggin is used at a concentration of about 100ng/ml.
14. The method of claim 10 wherein the TGF β receptor signaling inhibitor is an inhibitor of ALK5.
15. The method of claim 14 where the inhibitor of ALK5 is ALK5 inhibitor II.
16. The method of claim 15 wherein ALK5 inhibitor II is used at a concentration from about 0.1 μ M to about 10 μ M.
17. The method of claim 16 wherein ALK5 inhibitor II is used at a concentration of about 1 μ M.
18. The method of claim 10 wherein the fibroblast growth factor is FGF7.
19. The method of claim 10 wherein the fibroblast growth factor is FGF10.
20. The method of claim 10 wherein the fibroblast growth factor may be used at a concentration from about 50pg/ml to about 50 μ g/ml.