

1 **Title: A novel regulatory gene promotes novel cell fate by suppressing ancestral fate in**  
2 **the sea anemone *Nematostella vectensis***

3

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14

15 **Authors Contributions:** LSB, CE, JFR, and MQM collected data and performed analyses; LSB  
16 conceived of the study and wrote the manuscript; CE, JFR, and MQM edited and approved the  
17 manuscript.

18

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20

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23

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25 Main Text

26 Figures 1 to 4

27 **Abstract:** Cnidocytes (“stinging cells”) are an unequivocally novel cell type used by cnidarians  
28 (corals, jellyfish, and their kin) to immobilize prey. Although they are known to share a common  
29 evolutionary origin with neurons, the developmental program that promoted the emergence of  
30 cnidocyte fate is not known. Using functional genomics in the sea anemone, *Nematostella*  
31 *vectensis*, we show that cnidocytes evolved by suppression of neural fate in a subset of neurons  
32 expressing RFamide. We further show that a single regulatory gene, a C<sub>2</sub>H<sub>2</sub>-type zinc finger  
33 transcription factor (ZNF845), coordinates both the gain of novel (cnidocyte-specific) traits and  
34 the inhibition of ancestral (neural) traits during cnidocyte development and that this gene arose  
35 by domain shuffling in the stem cnidarian. Thus, we uncover a mechanism by which a truly  
36 novel regulatory gene (ZNF845) promoted the origin of a truly novel cell type (cnidocyte)  
37 through duplication of an ancestral cell lineage (neuron) and inhibition of its ancestral identity  
38 (RFamide).

39  
40 **Significance:** In this study, we demonstrate how new cell types can arise in animals through  
41 duplication of an ancestral (old) cell type followed by functional divergence of the new daughter  
42 cell. Specifically, we show that stinging cells in cnidarians (jellyfish and corals) evolved by  
43 duplication of an ancestral neuron followed by inhibition of the RFamide neuropeptide it once  
44 secreted. This is the first evidence that stinging cells evolved from a specific subtype of neurons  
45 and suggests some neurons may be easier to co-opt for novel functions than others.

## 47 **Main Text**

### 48 **Introduction**

49 Understanding the mechanisms driving cell type diversification persists as one of the key  
50 challenges in evolutionary biology (1). The gain of new adaptive cell functions requires either  
51 the advent of novel genes (2, 3), the modification of existing gene regulatory networks (4), or  
52 some combination of these two processes (5). Alone, this additive model, focused simply on the

53 emergence of novel gene interactions, is insufficient to explain expansion of cell identity as new  
54 cell types would arise in place of ancestral cell types. In a process analogous to gene  
55 duplication and divergence (6), new instances of cell division during embryogenesis could lead  
56 to duplication of a cell lineage, providing the opportunity for one lineage to retain an ancestral  
57 function and the other to acquire new functions. Cell type diversification, therefore, requires both  
58 novel gene interactions and a novel cell lineage in which to express these traits.

59

60 Cnidarians are an unparalleled model for studying the evolution of novelty because the defining  
61 synapomorphy of this group (the cnidocyte or “stinging cell”) is an unequivocally novel cell type.  
62 During embryogenesis, cnidocytes differentiate from a progenitor cell that also gives rise to  
63 neurons, reflecting a common evolutionary origin for these two cell types (7, 8). Two key  
64 features were necessary for the transition away from neural fate in early cnidocytes: the  
65 development of the explosive secretory organelle (the cnidocyst) from which cnidocytes derive  
66 their “sting,” and the suppression of neural phenotype (axons, synaptic signaling molecules,  
67 etc). Studies tracking the synthesis of the cnidocyst-specific protein minicollagen have revealed  
68 key steps leading to the origin of this novel organelle (9, 10); the mechanisms driving the  
69 suppression of neural phenotype in cnidocytes remain unknown. Here, we show that a single  
70 novel transcription factor, ZNF845, both promotes cnidocyte fate and suppresses neural fate  
71 during development of the sea anemone *Nematostella vectensis*. We further show that the six-  
72 domain topology of ZNF845 arose through domain shuffling in the last common ancestor of  
73 cnidarians, making this a clear example of a cnidarian-specific gene driving development of a  
74 cnidarian-specific trait.

75

## 76 **Results**

### 77 **ZNF845 promotes cnidocyte fate**

78 Beginning at the blastula stage, ZNF845 is expressed throughout the embryo in cells that are  
79 actively undergoing DNA synthesis, as labeled by EdU (**Fig. 1A**). ZNF845 is co-expressed with  
80 SoxB2 in a subset of embryonic neural progenitor cells at the blastula stage (**Fig. 1B**) and is  
81 also co-expressed in a subset of PaxA-expressing developing cnidocytes at the gastrula stage  
82 (**Fig. 1C**). ZNF845 continues to be expressed through metamorphosis in a pattern reminiscent  
83 of cnidocyte development (Supplementary Material Fig. S1). To understand the role of ZNF845  
84 in neural/cnidocyte differentiation, we knocked down SoxB2 and PaxA using previously  
85 published morpholinos (MOs) (8, 11). ZNF845 expression was downregulated in embryos  
86 injected with the SoxB2 MO but unaffected in embryos injected with PaxA MO (**Fig. 1D**). Paired  
87 with the co-expression results, these data suggest that ZNF845 is part of the cnidogenesis  
88 pathway acting upstream of PaxA in *N. vectensis*.

89  
90 To further explore the role of ZNF845, we knocked down ZNF845 using small-hairpin RNAs  
91 (shRNAs) (12) and assayed the effects on cnidocyte development. Knockdown of ZNF845 was  
92 effective through the late planula stage (Supplementary Material Fig. S1) and resulted in nearly  
93 complete loss of cnidocytes throughout the ectoderm of the planula (**Fig. 1E**). Using an antibody  
94 directed against the cnidocyte-specific protein minicollagen4 ( $\alpha$ -Mcol4) (13) we demonstrate a  
95 significant loss of cnidocytes: from 10% of total cells in wildtype (WT) and control (ctrl) shRNA-  
96 injected embryos to less than 3% when ZNF845 was knocked down. We recovered identical  
97 results in embryos injected with a splice-blocking ZNF845 MO, relative to those injected with a  
98 standard control MO (Supplementary Material Fig. S2).

99  
100 To determine if ZNF845 acts upstream of PaxA and other markers specific to the cnidogenesis  
101 pathway, we examined the effect of ZNF845 knockdown on known markers of neural and  
102 cnidocyte differentiation in *N. vectensis* using quantitative PCR (**Fig. 1F, Table S2**). Knockdown  
103 of ZNF845 resulted in significant downregulation of PaxA, and all of its known targets (GGT,

104 Ngal, Mcol1, Mcol3, Mcol4, and Mef2IV) (11) as well as three cnidocyte-expressed transcription  
105 factors identified from single-cell RNA-Seq analysis (TEA/Scalloped, FoxL2, Pou4) (14).  
106 Conversely, ZNF845 knockdown did not affect the expression of SoxB2 or the neuron-specific  
107 regulatory genes Atonal and ELAV (15). While ZNF845 knockdown caused a statistically  
108 significant increase in the expression of neural markers AshA, GLWamide, LWamide, and PaxC  
109 assayed by qPCR, the response of these genes was minor relative to the large, significant  
110 upregulation of RFamide. To spatially characterize these results, we performed *in situ*  
111 hybridization for RFamide and PaxC in embryos injected with control- or ZNF845 shRNAs and  
112 counted the number of cells expressing these neural markers at the gastrula stage (**Fig. 1G**).  
113 Knockdown of ZNF845 significantly increased the number of RFamide-expressing cells from  
114 2.23 ( $\pm$  1.95; mean  $\pm$  SD) in control embryos to 23.47 ( $\pm$  17.85; mean  $\pm$  SD) in ZNF845  
115 knockdowns. Cell counts for PaxC expression revealed a small, non-significant increase in the  
116 number of PaxC-expressing cells from 8.9 ( $\pm$  4.4; mean  $\pm$  SD) in controls to 14.3 ( $\pm$  18.5; mean  
117  $\pm$  SD) in ZNF845 knockdowns. Because PaxC expression during embryogenesis is reminiscent  
118 of RFamide expression, we hypothesized that PaxC might be an upstream regulator of  
119 RFamide neuron differentiation. On the contrary, we found that PaxC and RFamide are not co-  
120 expressed (**Fig. 1H**) and that knockdown of PaxC using a previously published MO (11) did not  
121 affect the number or distribution of RFamide-expressing cells (**Fig. 1I**).

122  
123 These results suggest that there is a closer evolutionary relationship between cnidocytes and  
124 RFamide-expressing neurons than between cnidocytes and other neural subtypes (**Fig. 1J**).  
125 This is congruent with a recent study showing that the selector gene Pou4 regulates terminal  
126 cell identity in cnidocytes and RFamide-expressing neurons in *N. vectensis* but not in other cell  
127 types (16). Second, we demonstrate that a single transcription factor (ZNF845) upregulates both  
128 the genes necessary to promote cnidocyte identity and the genes necessary to inhibit RFamide  
129 neuron identity. To understand the mechanism by which ZNF845 suppresses RFamide

130 expression during cnidocyte differentiation, we searched for inhibitory transcription factors that  
131 were co-expressed with cnidocyte specific genes.

132

### 133 **ZNF845 inhibits neural fate through NR12**

134 Nuclear receptors in the COUP-TF family (NR2F) are known to play an inhibitory role in neural  
135 cell fate decisions in both cnidarians (17) and bilaterians (18). In *N. vectensis*, there are five  
136 NR2F paralogs: NR10-14, most of which appear to have originated through lineage-specific  
137 duplication in cnidarians (19). We examined the expression of all five NR2F genes  
138 (Supplementary Material Fig. S3) and found that three of them (NR11,12,13) were expressed in  
139 the ectoderm during early embryogenesis and were also downregulated in embryos injected  
140 with ZNF845 shRNA (**Fig. 2A**). All three were also co-expressed with Mcol4 in differentiating  
141 cnidocytes (**Fig. 2B-D**) and yet we found no evidence of that any of the NR2F paralogs were co-  
142 expressed together in the same cell (**Fig. 2E,F**) suggesting these NR2F paralogs are expressed  
143 uniquely in different subpopulations of cnidocytes.

144

145 The cnidocyte-specific expression of NR12 that we observed was also supported by single cell  
146 RNA-Seq in *N. vectensis* (14). We examined NR12 further and found that it is co-expressed in a  
147 subset of ZNF845-expressing cells at the gastrula stage (**Fig. 2G**) and in a subset of PaxA-  
148 expressing cells at the early planula stage (**Fig. 2H**). We then examined the effects of NR12 on  
149 cnidocyte development using shRNAs (Supplementary Material Fig. S4, Table S1) and found  
150 that knockdown of NR12 resulted in a four-fold increase in the number of RFamide-expressing  
151 cells but had no effect on expression of PaxC (**Fig. 2I**) or on the specification of cnidocytes (**Fig.**  
152 **2J**). Knockdown of NR12 also had no effect on the number or distribution of NR11- or NR13-  
153 expressing cells (**Fig. 2K**).

154

155 Modularity in the regulation of neural phenotype would have enabled cnidocytes to retain  
156 beneficial aspects of the ancestral phenotype while silencing others through selective inhibition,  
157 as has been shown for neural subtype specification in *C. elegans* (18). The upregulation of  
158 RFamide following NR12 knockdown suggests that RFamide expression may be coupled to the  
159 expression of another trait that had adaptive value during the evolution of cnidocytes (e.g.,  
160 secretory vesicles) (Fig. 2L). The independent expression of NR11 and NR13 in non-  
161 overlapping populations of developing cnidocytes suggests that multiple cnidocyte subtypes  
162 may be specified through NR2F-mediated inhibition of neural traits in other (non-RFamide)  
163 neural subtypes.

164

#### 165 **ZNF845 is a novel transcription factor**

166 Transcription factors with Cys2-His2 zinc finger (ZF-C<sub>2</sub>H<sub>2</sub>) domains (PF00096) represent one of  
167 the largest families of transcription factors across animals (20). Numerous evolutionary  
168 processes have contributed to diversification in this gene family, including  
169 duplication/divergence, gain/loss of ZF-C<sub>2</sub>H<sub>2</sub> domains, and gain/loss of accessory domains (21).  
170 Among the oldest members of this clade are ZNF proteins with multiple tandem C<sub>2</sub>H<sub>2</sub> domains  
171 but no other conserved functional domains (22). ZNF845 has six tandem ZF-C<sub>2</sub>H<sub>2</sub> domains; to  
172 understand how these six domains came together in a single protein, we generated a maximum  
173 likelihood phylogeny of all ZF-C<sub>2</sub>H<sub>2</sub> domains extracted from predicted proteomes for three  
174 bilaterian taxa (*Homo sapiens*, *Drosophila melanogaster*, and *Caenorhabditis elegans*) and four  
175 cnidarians (two anthozoans: *N. vectensis* and *Acropora digitifera*, and two medusozoans: *Hydra*  
176 *magnipapillata* and *Nemopilema nomurai*). The full phylogeny contains over 11,000 branch tips;  
177 the FASTA alignment is provided in Supplementary Material Data S1.

178

179 *Nematostella vectensis* has 218 predicted proteins with one or more ZF-C<sub>2</sub>H<sub>2</sub> domains, sixteen  
180 of which, including ZNF845, encode six tandem ZF-C<sub>2</sub>H<sub>2</sub> domains. We examined the

181 evolutionary relationships of the ZF-C<sub>2</sub>H<sub>2</sub> domains from ZNF845 (JGI protein ID: 81344) and  
182 compared the results with an analysis of another six-domain ZNF protein, Growth Factor  
183 Independence 1B (Gfi1B; JGI PID: 112378). Gfi1B is a potent regulator of cell differentiation in  
184 vertebrates (23), but the function of this protein has not been characterized in *N. vectensis*.  
185 Each of the six domains from the *N. vectensis* ortholog of ZNF845 groups with ZF-C<sub>2</sub>H<sub>2</sub> domains  
186 from the orthologous ZNF845 protein in other cnidarians: Hmag\_XP\_002158383.2 (originally  
187 named ZNF845 by Hemmrich et al. (24)), Nnom\_10870, and Nnom\_3755 (**Fig. 3A** and  
188 Supplementary Material Fig. S5). These relationships suggest the anthozoan and medusozoan  
189 ZNF845 proteins descended from a common ancestor that already had six ZF-C<sub>2</sub>H<sub>2</sub> domains in  
190 the stem cnidarian. Additionally, two of these domains (domains 1 and 5) appear to have arisen  
191 by tandem duplication as these domains form a clade that lacks other ZF-C<sub>2</sub>H<sub>2</sub> domains. Each  
192 of the six ZF-C<sub>2</sub>H<sub>2</sub> domains in ZNF845 shares some level of homology with a bilaterian ZF-C<sub>2</sub>H<sub>2</sub>  
193 domain, but none of these bilaterian domains are found in the same protein.

194

195 Examination of the ZF-C<sub>2</sub>H<sub>2</sub> domains from Gfi1B suggests that, unlike ZNF845, this six-domain  
196 transcription factor emerged in its current form before cnidarians and bilaterians diverged from  
197 their common ancestor (**Fig. 3B**, Supplementary Material Fig. S6). Each of the ZF-C<sub>2</sub>H<sub>2</sub>  
198 domains from the *N. vectensis* ortholog of Gfi1B grouped with the syntenic ZF-C<sub>2</sub>H<sub>2</sub> domain  
199 from the Gfi1B ortholog in each of the bilaterian taxa examined (Homo\_NP\_001120687.1,  
200 Homo\_XP\_006717360.1, Dmel\_Q9VM77, Cele\_5376). Together, these observations suggest  
201 that ZNF845 arose as a novel 6-domain protein in the stem cnidarian and that both domain  
202 shuffling and domain duplication/divergence were important for the emergence of this protein  
203 (**Fig. 3C**).

204

205 **Modeling cell type expansion**



206 Gene duplication and divergence is an important source for novel gene function (6, 25).

207 Extending this concept, we propose a model for the emergence of novel cell types through cell

208 lineage duplication and divergence (**Fig. 4**). New cells are generated from progenitors during

209 growth and tissue repair (**Fig. 4A**). Co-option of a progenitor cell to produce a novel daughter

210 would not increase the number of differentiated cell types if the novel cell fate simply replaced

211 its ancestor (**Fig. 4B**). Duplication of the progenitor cell first would allow for maintenance of

212 ancestral cell identity and the origin of novel identity, increasing cell type diversity (**Fig. 4C**).

213

214 These basic principles can be extended to explain the emergence of cnidocytes from a neural

215 precursor (**Fig. 4D,E**). At least one SoxB gene was present in the ancestor of all animals (26).

216 Analyses of animal neural diversity have suggested RFamide-like neurons arose early in animal

217 evolution as well (27, 28). To generate a novel cell lineage, the progenitor cell would first have to

218 duplicate to generate a new progenitor lineage. Absent additional changes, duplication of a

219 neural progenitor cell would have doubled the number of RFamide-expressing daughters,

220 potentially leading to aberrant synapse formation. If progenitor cell duplication were coupled to

221 the origin of a transcription factor that inhibited RFamide expression, the original number of

222 RFamide-expressing daughters would be maintained and RFamide neurons would now be

223 sister to a second lineage of “neurons” lacking a synaptic payload. Key to the emergence of

224 cnidocytes, therefore, was the origin of two transcription factors: one (ZNF845) that could

225 maintain progenitor cell fate in a newly duplicated cell lineage and another (NR12) that could

226 manipulate the identity of the secreted payload in the duplicated daughter cell. Without the

227 selection pressure to maintain synaptic signaling in this new daughter cell, these cells may have

228 experienced relaxed selection for the maintenance of axons, allowing the secretory vesicles to

229 relocate to the cell body. Subsequent mutations resulting in the emergence of a novel payload

230 (e.g., minicollagen) would have further promoted daughter cell divergence following duplication

231 in this cell lineage.

232

## 233 **Discussion**

234 The stepwise model presented here illustrates three important paradigms for the evolution of  
235 novel cell types. First, although the role of novel genes in driving evolutionary innovation has  
236 been debated (29–31), cnidocytes have always provided a clear example of an adaptive role for  
237 novel effector genes (e.g., minicollagen) in driving the evolution of a novel cell phenotype (9). In  
238 the present study, we extend this adaptive role for novel genes up the cnidocyte gene regulatory  
239 network by showing that the emergence of a new transcription factor assembled through  
240 domain shuffling in the stem cnidarian (ZNF845) was essential for the origin of cnidocytes.

241

242 Second, we demonstrate support for the hypothesis that modularity is an important driver of  
243 phenotypic evolution (32, 33). During the early divergence of cnidocytes, modularity in neural  
244 cell phenotype allowed for selective inhibition of certain traits (e.g., vesicular payload, axons)  
245 and retention of others (e.g., secretory vesicle). In this scenario, a single mutation that allowed  
246 for inhibition of RFamide expression could rapidly change the selection pressures affecting the  
247 recently duplicated sister cells, promoting retention of ancestral phenotype in one and allowing  
248 additional mutations to arise in the other.

249

250 Finally, our results broadly support the hypothesis that the origin of a secretory cell lineage was  
251 advantageous for the emergence of diverse novel cell functions (34, 35). The ability to  
252 segregate gene products into a compartment within the cell and to target those products for  
253 delivery to the extracellular space allows for the retention of novel gene products that may  
254 otherwise be deleterious if retained intracellularly (e.g., collagen fibers).

255

256 Applied broadly, this scenario of secretory cell duplication coupled to payload inhibition  
257 combined with the early diversification of novel neuropeptides (36–38), could also explain the

258 rapid expansion of neural function in early bilaterians. Studies of neural fate in bilaterian model  
259 systems have demonstrated that discrimination of specific subtypes within a neural lineage  
260 relies on inhibition of the effector genes that define other subtypes in the lineage (39), and that  
261 this inhibition of sister cell fate is mediated through the actions of conserved transcription factors  
262 including orthologs of NR2F/COUP-TF (18). The data presented here indicate that this role for  
263 NR2F-mediated inhibition of cell fate may extend back to the common ancestor of cnidarians  
264 and bilaterians, suggesting the divergence-through-inhibition regulatory logic was already  
265 driving the expansion of cell fate nearly 700 million years ago (40).

266

## 267 **Materials and Methods**

268 **Gene knockdowns:** To assess the influence of ZNF845 and NR12 on cnidocyte fate, we  
269 performed mRNA knockdown by microinjection of small-hairpin RNAs (shRNAs) following the  
270 protocol of He et al. (12). shRNAs used in this study were synthesized *in vitro* (primer  
271 sequences provided in Table S1), diluted to 800ng/ul in nuclease-free water (Ambion AM9937)  
272 with a final concentration of 0.2 mg/ml Alexa-555 RNase free dextran (Invitrogen D34679) to  
273 facilitate injection. To account for non-specific effects, control embryos were injected with an  
274 shRNA (Table S1; 800ng/ul) that was not complimentary to any part of the genome (42).  
275 Embryos were raised to the early planula stage (72 hours post fertilization) at 16C and effects of  
276 knockdowns were assayed via immunofluorescence, *in situ* hybridization, or quantitative PCR  
277 (qPCR). Independent confirmation of the effect of ZNF845 knockdown on cnidocyte  
278 specification was assayed using a splice-blocking morpholino (GeneTools; Table S1) as  
279 previously described (11). Briefly, lyophilized morpholinos were reconstituted in nuclease-free  
280 water to 1 mM following the manufacturer's instructions. Before each use, the stock was heated  
281 to 60C for 5 mins and centrifuged for ~1 minute before being diluted to a final working  
282 concentration of 0.3 mM in nuclease free water with 0.2 mg/ml RNase-free dextran. To control  
283 for non-specific effects, ZNF845-injected embryos were compared to embryos injected with a

284 standard control morpholino (GeneTools; Table S1) prepared the same way and injected at the  
285 same concentration as the ZNF845 MO. Splicing defects were confirmed using PCR and gel  
286 electrophoresis as described previously (11).

287

288 **Cell and tissue analysis:** To assay effects of gene knockdown on cnidocyte specification,  
289 developing cnidocytes were labeled, imaged, and counted as described in a similar study (11)  
290 using an antibody directed against minicollagen4 (Mcol4) (13). Additional targets of ZNF845 and  
291 NR12 shRNAs were assessed using *in situ* hybridization as previously described (11). For  
292 qPCR analysis, embryos injected with control shRNA and embryos injected with ZNF845  
293 shRNA were both compared to uninjected embryos raised under the same conditions. Five  
294 replicates of each condition (ZNFshRNA, control shRNA, and uninjected/WT) representing five  
295 independent injections performed on different days were compared using the delta-delta CT  
296 method and the PCR package (43) in the R statistical computing environment (44). ZNF845  
297 expression in Figure 1D are presented as fold-change, relative to ZNF845 expression in  
298 uninjected embryos and statistical significance for qPCR in Figure 1D was calculated from the  
299 comparison of SoxB2 MO and PaxA MO-injected embryos relative to control MO-injected  
300 embryos. mRNA expression values in Figures 1F and 2A are presented as fold-change relative  
301 to expression of EF1B in the uninjected embryos (arbitrarily set to 1) and significance was  
302 calculated from the comparison of ZNF845 shRNA-injected embryos to control shRNA-injected  
303 embryos. Cell counts in Figures 1E, 1G, 1I, 2I, 2J, and 2K were analyzed with a Mann-Whitney  
304 U nonparametric test for two-way comparisons (control vs target shRNA/MO) and are presented  
305 as mean  $\pm$  standard deviation. Statistical significance for all quantitative comparisons is  
306 indicated (\*) where  $p < 1E-02$ .

307

308 **Maximum likelihood phylogeny:** Phylogenetic analysis of ZF-C<sub>2</sub>H<sub>2</sub> domains was performed  
309 using a modification of a previously published protocol (45). In brief, an alignment was

310 generated using a custom script (hmm2aln, available at [github.com/josephryan](https://github.com/josephryan)) and the ZF-  
311 C<sub>2</sub>H<sub>2</sub> HMM (PF00096) in predicted proteomes from all target taxa. For cnidarians, we sampled  
312 two anthozoans: *Nematostella vectensis* and *Acropora digitifera*, and two medusozoans: *Hydra*  
313 *magnipapillata* and *Nemopilema nomurai* (46). For bilaterians, we sampled *Homo sapiens*,  
314 *Drosophila melanogaster*, and *Caenorhabditis elegans*. Download information for each taxon is  
315 provided in Table S3. The alignment contains over 11,000 ZF-C<sub>2</sub>H<sub>2</sub> domains from these  
316 combined taxa and is provided in Data S1. To generate the phylogeny, we first used the model  
317 finder function (-MF) with IQTREE to determine the best substitution model (VT+R8) and then  
318 generated a single tree and applied 500 bootstraps using fast bootstrapping.

319

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326

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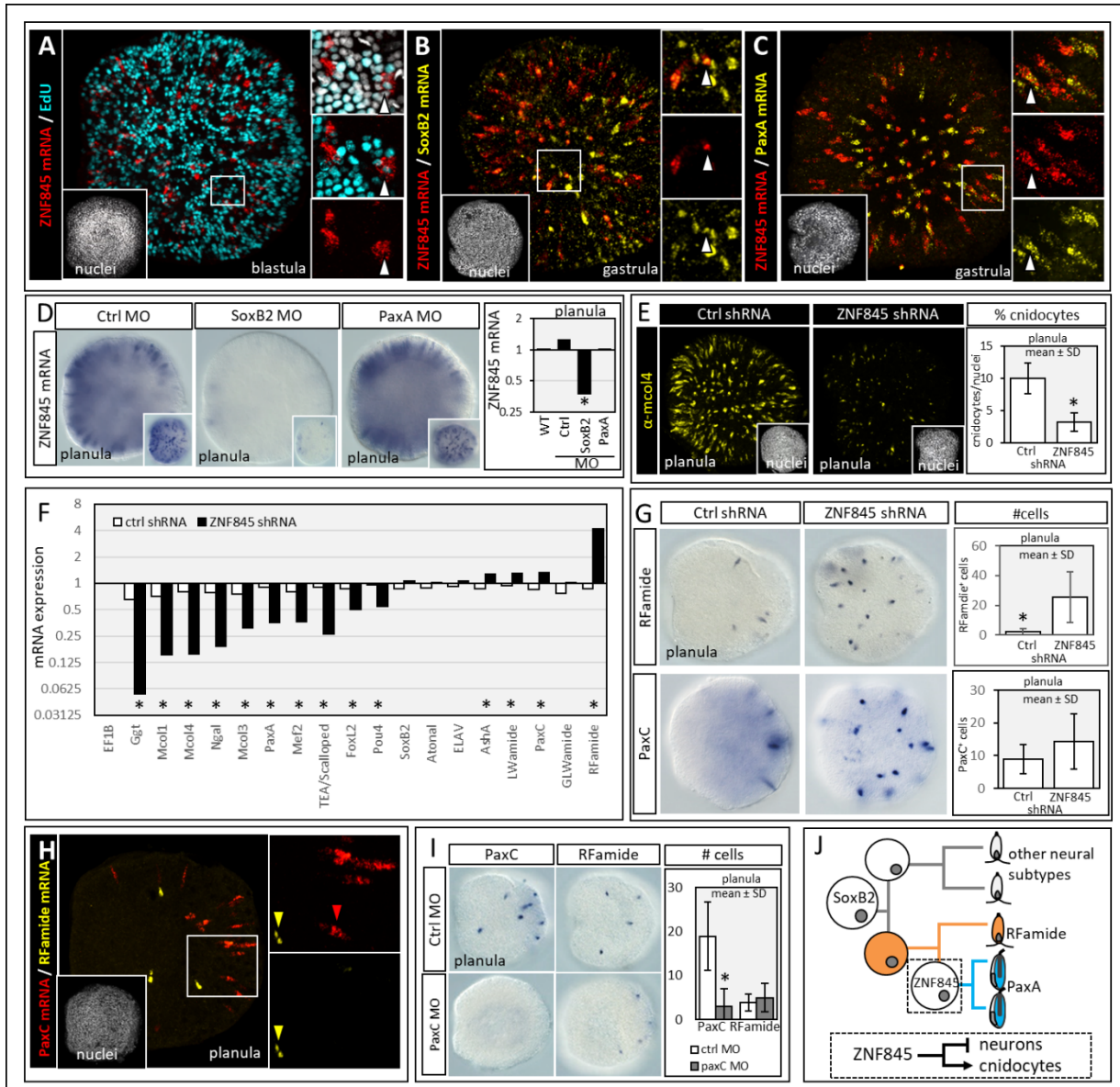


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450 **Figures and Figure Legends**



451

452 **Fig. 1. ZNF845 specifies cnidocyte identity in *N. vectensis*.** (A-C) ZNF845 is partially co-

453 expressed with: (A) EdU (proliferating cells), (B) SoxB2 mRNA (neural progenitor cells), and (C)

454 paxA mRNA (cnidocytes). Insets: white arrowheads show co-expression; nuclei are white

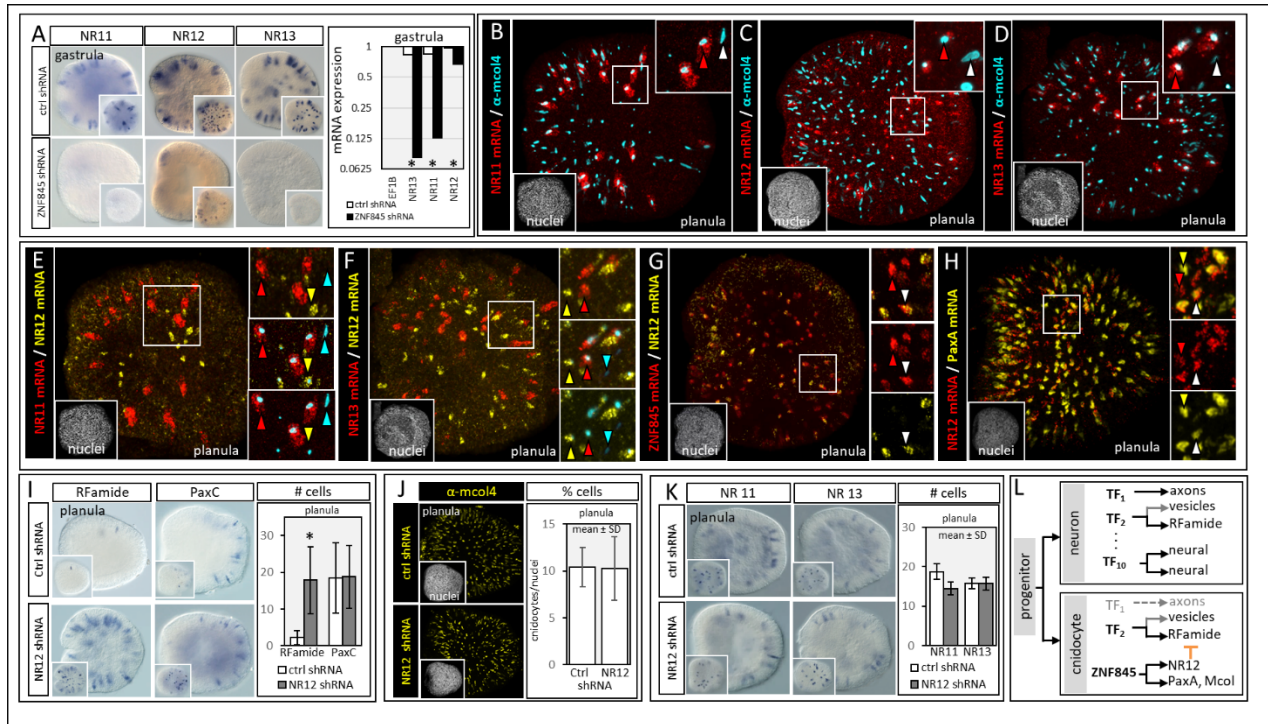
455 (DAPI). (D) ZNF845 expression after knockdown of SoxB2 and PaxA (by morpholino, MO)

456 assayed by *in situ* hybridization and qPCR; significance (\*) is indicated for SoxB2MO or PaxA

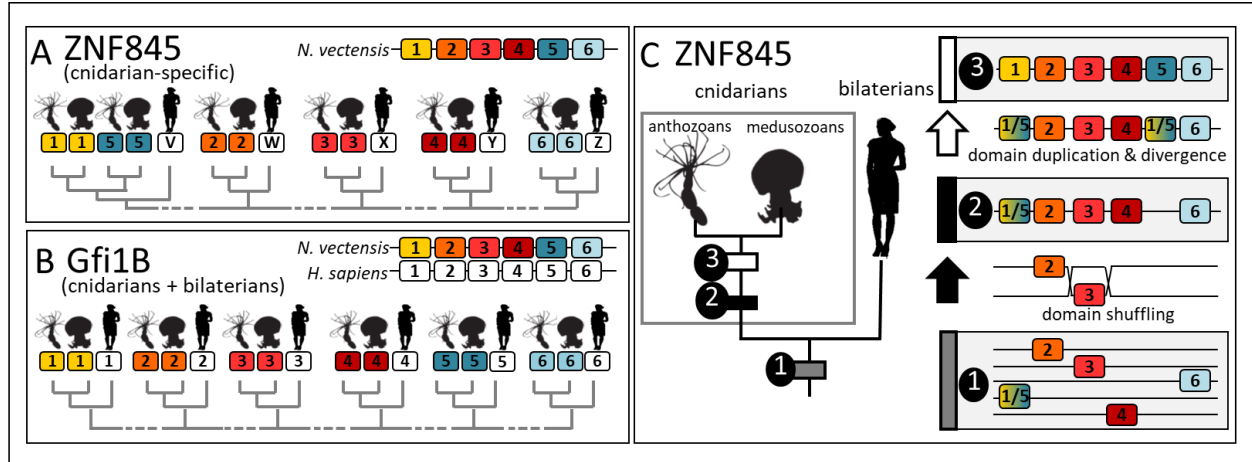
457 MO vs Ctrl MO. (E) Cnidocyte differentiation ( $\alpha$ -Mcol4 antibody) after ZNF845 knockdown

458 (shRNA). (F) qPCR of target gene expression after ZNF845 knockdown; fold-change relative to

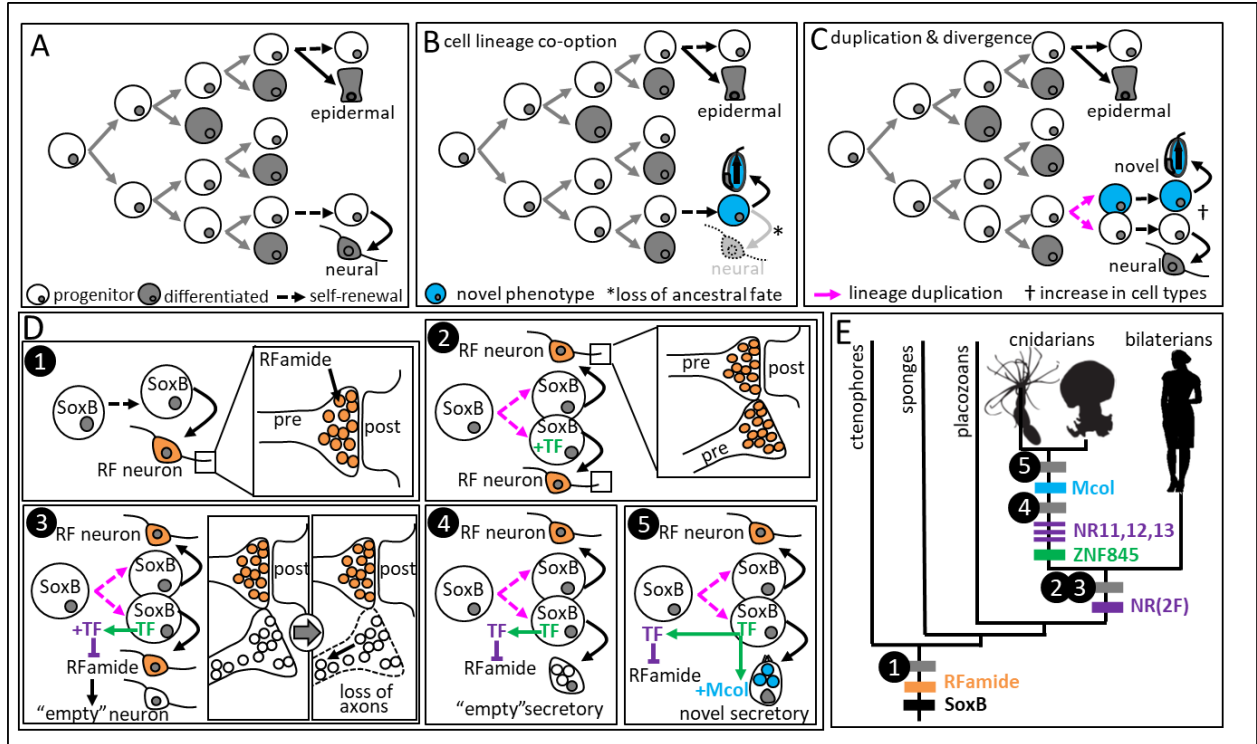
459 housekeeping gene EF1B. (G) Response of RFamide- and PaxC-expressing cells to ZNF845  
460 knockdown. (H) RFamide and PaxC are not co-expressed. (I) Expression of RFamide and PaxC  
461 after knockdown of PaxC (MO). (J) Model for ZNF845-mediated specification of cnidocyte  
462 identity from and RFamide-expressing cell lineage. Significance (\*) for all tests indicated as  
463  $p < 1E-02$ . See Table S2 for supporting information.  
464



465 **Fig. 2. Rfam identity is inhibited by NR12 in developing cnidocytes.** (A) NR11, NR12,  
 466 and NR13 are downregulated in ZNF845 knockdowns (shRNA) as assayed by *in situ*  
 467 hybridization and qPCR. Insets: surface detail. (B-D) NR11, NR12, and NR13 are co-expressed  
 468 with Mcol4 (cnidocytes), but not with each other (E,F). Images B and E show the same embryo,  
 469 as do D and F. NR12 is partially co-expressed with (G) ZNF845 and (H) PaxA. (I) Response of  
 470 Rfam- and PaxC-expressing cells after NR12 knockdown. No effect of NR12 knockdown on  
 471 (J) cnidocyte differentiation ( $\alpha$ -Mcol4) or (K) expression of NR11 or NR13. (L) Modular  
 472 regulation of neural traits (e.g., axons, vesicles + neuropeptides) explains how some traits can  
 473 be lost (e.g., axons) and others retained but inhibited (Rfam) in developing cnidocytes.  
 474 Significance (\*) for all tests indicated as  $p < 1E-02$ . See Table S2 for supporting information.  
 475



476  
477 **Fig. 3. Evolutionary history of two 6-domain ZNF proteins.** Relationships among ZF-C<sub>2</sub>H<sub>2</sub>  
478 domains from (A) ZNF845 (*N. vectensis* JGI PID 81344) and (B) Gfi1B (*N. vectensis* JGI PID:  
479 112378). (C) Proposed model for the emergence of ZNF845: 1. In the common ancestor of  
480 cnidarians and bilaterians ZF-C<sub>2</sub>H<sub>2</sub> domains were in distinct proteins, 2. In the stem cnidarian,  
481 domain shuffling brought domains 1/5, 2, 3, 4 and 6 together in a single protein, 3. Domain 1/5  
482 then duplicated and diverged to become two distinct domains (1 and 5) before the diversification  
483 of extant cnidarians. Broken grey lines in A, B represent the locations of the other ~11,000  
484 branch tips of the complete tree. See Supplementary Figs S5,S6 for supporting information.  
485



486

487 **Fig. 4. Origin of novelty through lineage duplication and suppression of ancestral fate.**

488 (A) Embryogenesis as a model for cell type evolution. (B) Co-option of a progenitor cell for novel

489 fate does not increase cell type diversity. (C) Duplication of the progenitor cell prior to co-option

490 allows for the expansion of differentiated cell types. (D) A stepwise model for the origin of

491 cnidocytes by duplication and divergence of an RFamide neural lineage. (E) A proposal for the

492 evolutionary timing of these events; similar duplication of a neural progenitor cell and inhibition

493 of the neural payload (steps 2,3) may also have facilitated the expansion of neural subtypes in

494 early bilaterians.

495