

Syncytia Formation Promotes Virus Resistance to Interferon and Neutralizing Antibodies

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19 **SUMMARY**

20 SARS-CoV-2, like many viruses, generates syncytia. Using SARS-CoV-2 and S (S)
21 expressing recombinant vesicular stomatitis and influenza A viruses, we show that S-
22 mediated syncytia formation provides resistance to interferons in cultured cells, human
23 small airway-derived air-liquid interface cultures and hACE2 transgenic mice. Amino acid
24 substitutions that modulate fusogenicity in Delta- and Omicron-derived S have parallel
25 effects on viral interferon resistance. Syncytia formation also decreases antibody virus
26 neutralization activity in cultured cells. These findings explain the continued selection of
27 fusogenic variants during SARS-CoV-2 evolution in humans and, more generally, the
28 evolution of fusogenic viruses despite the adverse effects of syncytia formation on viral
29 replication in the absence of innate or adaptive immune pressure.

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33 INTRODUCTION

34 Many medically important enveloped and non-enveloped viruses induce fusion of infected
35 cells with surrounding cells to generate syncytia: multinucleated giant cells¹. Though
36 syncytia-forming viruses are frequently selected by propagation in patients or cell lines,
37 this is often paradoxically associated with decreased production of infectious viral
38 progeny²⁻⁴. In this study, we examine this paradox as exhibited by SARS-CoV-2.

39 While circulating in billions of humans, SARS-CoV-2 continuously evolves immune
40 evasion variants⁵⁻¹⁰. Much of the variation occurs in the S (S) virion surface glycoprotein,
41 which attaches virus to cells by binding ACE2 and subsequently mediates fusion of viral
42 and cell membranes. S possesses an RXXR furin cleavage site (FCS), whose cleavage
43 generates the S1 and S2 subunits (Fig. 1a). This feature distinguishes SARS-CoV-2 from
44 most related viruses in the Sarbecovirus family, although similar FCSs are present in
45 more distantly related coronaviruses (Fig. 1a)^{11,12}. FCS cleavage by furin and/or
46 TMPRSS2 enhances viral entry by promoting fusion with the host cell membrane and
47 enhances syncytia formation in cell cultures and in COVID-19 patients¹³⁻¹⁸. The FCS is
48 strongly selected during SARS-CoV-2 circulation in humans (Fig. 1b and Fig.S1) and is
49 associated with increased pathology¹⁹⁻²⁴.

50 Interferons play a central role in limiting viral replication in the initial stages of viral
51 infection, particularly in naïve individuals. Strong evidence exists that interferons are a
52 major factor in controlling COVID-19²⁵⁻²⁷. Studying the evolutionary selection of the FCS
53 *in vitro* and *in vivo*, we have found a critical role for syncytia formation in evading the anti-
54 viral activity of interferons (IFNs) and Abs (Abs).

55

56 RESULTS

57 FCS Confers Virus Resistance to IFN- β in Cell Culture

58 To better understand the contribution of the S FCS to viral fitness, we replaced the
59 receptor gene of vesicular stomatitis virus (VSV) with the ancestral SARS-CoV-2 S gene
60 to generate a replication-competent VSV-eGFP-SARS-CoV-2 S virus (referred to as
61 rVSV-S, Fig. S2a). We removed the coding sequence for the S 21-residue C-terminal

62 ER/GC retention sequence to increase S cell surface expression and incorporation into
63 VSV virions^{28,29}. We passaged the initial virus stock (P0) in BHK21 cells expressing
64 human ACE2 (referred to as BHK21-ACE2) for several passages. Sanger sequencing at
65 passage 2 (P2) showed only *wt* virus. We detected a small population of the mutant
66 G2045A, corresponding to an R to Q substitution at position 682 (R682Q) after passage
67 3 (P3), becoming dominant in P4 and P5, accompanied by G2054A, corresponding to
68 R685H (Fig. S2b).

69 We next sequenced the S genes of 22 plaque-purified P4 stocks expanded in BHK21-
70 ACE2 or MA104 cells, revealing four FCS loss mutants, R685S, R682W, R685H, and
71 R682Q. Each mutant attained higher titers in BHK21-ACE2 cells than the *wt* virus (Fig.
72 S2c). Next-generation sequencing (NGS) revealed an increasing mutation frequency with
73 passage number in BHK21-ACE2 cells occurring at bases encoding R682 or R685 (Fig.
74 1c). Extending previous findings of FCS loss during propagation in Vero cells for both
75 VSV-S and SARS-CoV-2^{21,28-30}, this indicates that FCS substitutions enhance virus
76 replication in BHK21-ACE2 cells. A virus growth competition assay using an increasing
77 mutant to *wt* virus ratio demonstrates positive selection for R685S vs. *wt* virus in BHK21-
78 ACE2, and Vero cells and negative selection in Caco-2 cells (Fig. S2d).

79 To explore the context-dependent fitness of the FCS, we focused on the R685S mutant.
80 To minimize the effects of possible passenger mutations, we generated stocks of
81 recombinant rVSV and rSARS-CoV-2 fluorescent protein (FP) reporter viruses
82 expressing *wt* or R685S S, confirming viral genome sequence by NGS. After low
83 multiplicity of infection (MOI of 0.01) of Vero cells, R685S-virus replicated faster than *wt*
84 virus in both rVSV and rSARS-CoV-2 systems (Fig. 1d, e) as determined by released
85 virions and microscope-based quantitation of reporter FP expression in either live (rVSV-
86 S) or paraformaldehyde (PFA) fixed cells (for rSARS-CoV-2). Importantly, imaging also
87 showed that the size of R685S infection foci was significantly greater than *wt* S in both
88 SARS-CoV-2 or VSV-S vectors (Fig. S3a to f).

89

90 **FCS Fitness is IFN-Dependent**

91 We noted that FCS loss is selected by virus passaging in Vero and BHK21 cell lines,
92 which share a deficiency in IFN-secretion^{31,32}. We tested the contribution of IFN to FCS
93 evolution by adding IFN- β to Vero cells and infecting the cells 20 h later with *wt* or R685S
94 rVSV-S or rSARS-CoV-2 viruses (Fig. 1f,g). As expected, VSV and SARS-CoV-2 were
95 sensitive to IFN- β treatment, exhibiting at least 80% inhibition of FP-reported infection 24
96 h post-infection (h.p.i) at the lower IFN- β dose used and >96% inhibition at the higher
97 dose. Importantly, relative to R685S, *wt* S conferred up to 23-fold resistance to IFN- β in
98 VSV and less (up to 1.5-fold), but statistically significant resistance in SARS-CoV-2.
99 Extending these findings to an IFN secretion-competent cell (A549-ACE2), we used the
100 JAK1/2 kinase small molecule inhibitor Ruxolitinib to block IFN-mediated signaling. For
101 both *wt* VSV and SARS-CoV-2 infections, measuring either infected cell FP signal or
102 released infectious virus, Ruxolitinib enhanced R685S infection to a much greater extent
103 than *wt* infection (Fig. 1h and i).

104 Taken together, these data support the conclusion that the S FCS confers IFN- β -
105 resistance to VSV and SARS-CoV-2 in cultured cells.

106

107 Syncytia evade IFN anti-viral activity

108 How does the FCS confer resistance to IFN- β anti-viral activity? After 18-20 h IFN
109 treatment, we infected cells with rVSV-S and determined the half maximal inhibitory
110 concentration (IC₅₀) of IFN- β in primary infected cells by *in situ* imaging before the release
111 of virus infection (7 h.p.i) (*wt*, 1.16 pM; R685S, 1.14 pM) (Fig. 2a). Compared with VSV-S,
112 SARS-CoV-2 was slightly less sensitive to IFN- β , but *wt* and R685S exhibited near
113 identical IC₅₀ values (2.39 vs. 2.13 pM) (Fig. 2b). These findings indicate that the FCS
114 does not affect IFN- β inhibition of initial viral entry in Vero cells.

115 Rather, we found that the FCS reduces IFN anti-viral activity by favoring syncytia
116 formation. We inferred this initially by overlaying S +EGFP transfected Vero cells with
117 RFP transfected Vero cells. Measuring cell fusion by imaging revealed that maximal cell
118 fusion requires S with a functional FCS (Fig. 2c), extending prior reports^{28,29}. To further
119 establish the role of the FCS-mediated fusion in evading IFN, we live-imaged infected

120 Vero cells to measure rVSV-S dissemination. When we treated cells with IFN- β , *wt* rVSV-
121 S infectious foci enlarged over time, while VSV-R685S foci remained limited to single
122 infected cells, many of which died during imaging (Fig. 2d,e and Fig. S4). With SARS-
123 CoV-2 *wt* infection (Fig. 2f,g and Fig. S5), we observed much larger infection foci
124 consisting of highly multinucleated cells with higher fluorescence, compared with that in
125 R685S infection, with 0.1 ng/ml IFN- β treatment. These data demonstrate that IFN- β
126 under our tested concentration does not block S-mediated Vero cell syncytia formation.
127 Comparing no IFN- β to IFN- β treatment in VSV-S infection imaging experiments (Fig.
128 S6a), we observed that IFN- β blocks dissemination to non-adjacent cells, consistent with
129 its entry blockade in single cycle experiments (Fig 2a). Treating Vero cells with IFN- β
130 increased the fusion ratio 24 h.p.i. (defined as the area of syncytia divided by the area of
131 syncytia + single infected cells) 1.5-fold vs untreated cells (90% vs 60%) (Fig. S6a).
132 Overlaying cells with agar to prevent diffusion of released virus did not affect the fusion
133 ratio of IFN- β treated cells while reducing the fusion ratio of untreated cells to 35% (Fig.
134 S6a). The IFN- β -mediated fusion ratio increase predominantly reflected increases in the
135 size of individual syncytia (containing more individual cells) rather than the number of
136 syncytia (Fig. 2h, and Supplementary Video 1 to 4). In contrast to VSV-S *wt*, VSV-S
137 R685S virus exhibited few and small syncytia, with or without IFN- β (Fig. 2h and Fig. S6b).
138 We extended these findings to influenza A virus (IAV) using a single cycle infectious IAV
139 mCherry reporter virus lacking the HA gene segment whose receptor function is provided
140 by S expressed by a transgene. Mixing IAV-mCherry-infected S-expressing cells with
141 eGFP-transfected uninfected cells lacking the HA receptor gene resulted in S-dependent
142 syncytia formation, which enabled mCherry synthesis in eGFP-expressing cells. R685S
143 disruption of the FCS abrogated syncytia formation and influenza-encoded mCherry
144 synthesis (Fig. 2i).
145 Together, these results demonstrate that IFN- β inhibits S-mediated cell-free transmission
146 of SARS-CoV-2, VSV, and IAV in Vero cells.

147

148 Syncytia Confers SARS-CoV-2 IFN Resistance in Human Primary Small Airway Epithelial
149 Cells

150 We extended our findings to human primary small airway epithelial cells maintained in an
151 air-liquid interface (ALI), a more biologically relevant system. Since airway epithelia have
152 receptors for type III IFNs, which play an important role in respiratory infections³³, we
153 included IFN-λ2 in experiments. Four d after infecting cells with rSARS-CoV-2, we
154 imaged virus-encoded mCherry as a measure of viral gene expression and determined
155 titers of released virus. In the absence of IFNs, *wt* and R685S virus replicated nearly
156 identically (Fig. 3a). Exposing cells before and after infection to either IFN-β or IFN-λ2
157 reduced *wt* SARS-CoV-2 replication 2- and 6-fold, respectively, by either criterion.
158 Importantly, both IFNs had a much greater effect on blocking R685S SARS-CoV-2
159 replication (Fig. 3b,c). Imaging infected cells confirmed syncytia formation by *wt* but not
160 the R685S virus (Fig 3d).

161 We quantitated the effects of IFN on SARS-CoV-2-induced syncytia using image analysis
162 software. No differences in syncytia ratio were observed after IFN-β treatment at a
163 concentration of 0.2 ng/ml, while a slight increase in syncytia ratio occurred in the IFN-λ2
164 group compared to the group without IFN treatment. Importantly, SARS-CoV-2 R685S
165 rarely generated syncytia without IFN (Fig. 3e). The nuclei count in each syncytium of *wt*
166 ranged from 3 to more than 8, fitting a Gaussian distribution. IFN-β treatment at a
167 concentration of 0.2 ng/ml did not alter the distribution of nuclei in syncytia. In comparison,
168 IFN-λ2 at a concentration of 10 ng/ml slightly increased the overall syncytia ratio (Fig. 3f),
169 likely because of high dose of IFN-λ2 strongly inhibits cell-free infection and thus
170 increases the syncytia ratio. Overall, this suggests that IFN selectively inhibits non-
171 syncytial infection, favoring syncytia in human small airway epithelial cells, consistent with
172 our results in Vero cells and a previous study³⁴.

173 To determine the cell types that are involved in syncytia driven by SARS-CoV-2 infection,
174 we stained for markers of ciliated cells (AcTub), goblet cells (Muc5AC), and basal cells
175 (Cytk5). This revealed that syncytia form between ciliated cells, the primary target for
176 SARS-CoV-2 (67%), ciliated cells and basal cells (29%), ciliated cells and goblet cells
177 (3%), or between all three cell types (1%) (Fig. 3g and Fig. S7a).

178 We next examined SARS-CoV-2 replication in nasal epithelial ALI cultures. Interestingly,
179 while *wt* SARS-CoV-2 replicated to a similar extent as in small airway ALI cultures
180 (determined by fluorescence intensity and infectious virus released 4 d.p.i, Fig. 3h and
181 Fig. S7b), R685S SARS-CoV-2 virus infectious titers were 86-fold lower in nasal cultures,
182 indicating that R685S replication is attenuated in upper airway epithelial cells, suggesting
183 a more vigorous IFN response in the upper vs. lower airway which is in line with previous
184 studies³⁵.

185

186 *In Vivo* Evidence for SARS-CoV-2 Syncytia as an IFN Virus Escape Strategy

187 To directly examine the contribution of the FCS to evading IFN anti-viral activity *in vivo*,
188 we intranasally infected K18-hACE2 transgenic mice using conditions leading to viral
189 pneumonia. Consistent with the small airway ALI culture experiments, *wt* and R685S
190 SARS-CoV-2 viruses replicated similarly, as indicated by qPCR measurement of vRNA
191 recovered from the lung (Fig. 3i). Treating mice with intranasal IFN-λ2 on day -1 and +1
192 d.p.i.³⁶ reduced *wt* vRNA 16-fold while reducing R685S vRNA 33-fold (Fig. 3i). This trend
193 was also observed, though less dramatically when measuring infectious virions. While
194 R685S virus is present at 4- fold higher levels than *wt* virus in untreated mice, in IFN-λ2 -
195 treated mice it is detected in only 2/11 mice vs. 4/11 mice for *wt* virus (Fig. 3j). *Wt* SARS-
196 CoV-2 and R685S infections exhibited similar pulmonary proinflammatory cytokine
197 expression profiles 3 d.p.i., except for an increase in *wt* virus induced IL-5 and IFN-γ (Fig.
198 S8). IFN-λ2 treatment decreased proinflammatory cytokines, consistent with its reduction
199 in virus replication.

200 These findings support the conclusion that the FCS improves viral fitness *in vivo* by
201 enhancing escape from IFN.

202

203 Syncytia Enhance Viral Resistance to Antibody Neutralization

204 A previous study showed that the FCS confers resistance to virus-neutralizing (VN)
205 antibodies (Abs)¹⁹. To test the contribution of syncytia formation in this altered
206 neutralization profile in viral infection, we devised an imaging-based assay that uniquely

207 shows VN activity in real time. We used either Vero-ACE2 cells for rVSV infection or
208 human lung alveolar basal epithelial A549/ACE2/TMPRSS2 (ACE2plusC3) cells for
209 SARS-CoV-2 infection. Both cell lines exhibit enhanced syncytia formation due to
210 transgene-encoded protease overexpression. We tested six potent monoclonal Abs
211 (mAbs) specific for the S receptor binding domain (RBD)^{37,38} for their ability to block virus-
212 encoded reporter eGFP or mCherry expression. Abs were mixed with virus before
213 infection and maintained during 20 h infection. Data are expressed as the Ab
214 neutralization dose (ND₅₀) required to reduce the FP signal by 50% relative to the no Ab
215 control. We collected images at 7 and 20 h.p.i. (Fig. S9)

216 Using rVSV to infect Vero-ACE2 cells, large syncytia formed at 20 h.p.i for *wt* virus and
217 did not develop for R685S virus (Fig. S9a). Abs demonstrated negligible to ~1.6-fold more
218 effective VN against R685S at 7h. VN titers dropped for both viruses 20 h.p.i, but the
219 average decrease is ~4.9-fold higher for *wt* rVSV (Fig. S9b).

220 Using A549 ACE2plusC3 cells, SARS-CoV-2 *wt* but not R685S forms syncytia between
221 7 and 20 h.p.i (Fig. S9c). As previously reported, SARS-CoV-2 is more sensitive than
222 rVSV-S to Ab mediated VN, likely related to the lower density of S on virions³⁹. As with
223 rVSV, *wt* SARS-CoV-2 was slightly more resistant to VN at 7 h.p.i. VN potency dropped
224 2.5-fold on average for *wt* virus at 20 h.p.i, remaining constant for R685S virus (Fig. S9d).

225 The resistance of *wt* vs. R685S to Ab-mediated VN, combined with the time-dependent
226 decrease in Ab potency correlating with syncytia formation, robustly supports the
227 conclusion that syncytia formation enhances S escape from VN activity and is likely to
228 contribute to selecting the FCS in S evolution in immune hosts.

229

230 S Variants Confirm Syncytia Mediated IFN-Escape

231 The rapid evolution of SARS-CoV2 S in humans provides a golden opportunity to test the
232 Correlation between S-mediated syncytia formation and IFN-escape. The Delta S variant
233 and its hallmark P681R substitution induce more and larger syncytia than ancestral S³.
234 While the Omicron S variant has been reported to reduce syncytia formation⁴⁰, the
235 prevalent P681H substitution in Omicron and Alpha S variants can increase syncytia⁴¹.

236 To better establish the Correlation between fusogenicity and IFN resistance, we
237 generated S proteins from the Delta and Omicron variants and *wt* S variants with hallmark
238 proximal FCS substitutions P681R and P681H.

239 We first assessed S mediated-syncytia formation using cells expressing S from a
240 transgene-encoded mRNA linking S to GFP via an IRES. While there were comparable
241 numbers of GFP-expressing transfectants, GFP-positive syncytia were significantly
242 reduced in R685S and Omicron S variants compared to *wt* S (Fig.2c and Fig. S10a). As
243 expected, Omicron's compromised syncytia generation was not due to the P681H
244 substitution, which enhanced syncytia when introduced into *wt* S. Conversely, the P681R
245 substitution from the Delta variant and the Delta S itself significantly increased syncytia,
246 with a four-fold increase in GFP area observed in the Delta S group compared to *wt*.

247 We extended these findings to rVSV-S infection of Vero cells pretreated with IFN- β (0.1
248 ng/ml) for 20 h. VSV expressing Delta or P681R S formed larger syncytia than VSV-*wt*
249 S, with the opposite observed for Omicron S (Fig. 4a,b). We repeated this experiment
250 using type I (α and β), II (γ), and III (λ 2) IFNs over a wide dose range to determine the
251 IFN IC₅₀ for blocking infection as measured by total eGFP reporter fluorescence 20 h.p.i.
252 (Fig. 4c). Among five VSV-S viruses tested, R685S was most sensitive to all three types
253 of IFNs, followed by Omicron, *wt*, P681R and Delta, with this rank order maintained for
254 each IFN tested. We calculated the fusion index (Fig. S10b, number of nuclei present in
255 syncytia/number of individual infected cells) for each IFN and plotted the fusion index
256 against the IC₅₀ for the five rVSV-S viruses tested (Fig. 4d). This reveals a highly robust
257 correlation between syncytia formation and IFN IC₅₀, with R² values ranging from 0.8127
258 to 0.9543, consistent with causality.

259 We repeated this experiment by infecting Vero cells for 36 h (MOI 0.05) with *wt* rSARS-
260 CoV-2 virus and viruses with S replaced by one of the four S tested above. As with rVSV,
261 in cells treated with IFN- β (0.1 ng/ml) relative to *wt* S P681R- and Delta-S viruses
262 generated larger and more intense foci measured either by mCherry reporter expression
263 or staining for SARS-CoV-2 nucleocapsid (N) while Omicron foci were smaller and less
264 intense (Fig. 4e, f). Using Calu-3 human lung epithelial cells treated with higher amounts
265 of IFN- β (0.5 and 2.5 ng/ml), R685S was most sensitive to the IFN, followed by the

266 Omicron. Interestingly, the *wt* showed the lowest sensitivity compared to the other four S
267 variants (Fig. 4g). Lastly, in A549 ACE2plusC3 cells which has been shown to form strong
268 syncytia upon SARS-CoV-2 infection⁴², *wt*-, P681R- or Delta-S rSARS-CoV-2 viruses
269 exhibited robust syncytia formation, while R685S- or Omicron-S viruses displayed
270 minimal syncytia (Fig. S10c). R685S and Omicron viruses displayed similar higher
271 sensitivity to IFN- β and IFN- α than *wt*, P681R, and Delta (Fig. 4h). ACE2plusC3 cells were
272 much less sensitive to IFN- γ or IFN- λ 2 against SARS-CoV-2 infection, but showed a
273 similar difference in S-dependent anti-viral activity (Fig. 4h).

274 In summary, by examining five different S variants in two viral systems and three cell lines
275 treated with four different IFNs, our results demonstrate a positive correlation between S-
276 dependent syncytia formation and fusogenicity and IFN escape.

277

278 **S Fusogenicity of Dominant Circulating Variants Increases in a Phase-Dependent Manner**

279 How did SARS-CoV-2 evolution over the past 3 years alter S fusogenicity? We examined
280 S from nine dominant strains by mixing Vero cells transfected with a plasmid encoding
281 dual split protein (DSP) DSP₁₋₇ or DSP₈₋₁₁ and transfected the mixed culture with S-
282 expressing plasmids. We measured syncytia formation by the generation of fluorescent
283 eGFP from DSP₁₋₇ binding to DSP₈₋₁₁, quantitating the number of syncytia, syncytial area,
284 and fluorescent intensity. This revealed increased S fusogenicity as WA1 evolved to
285 D614G, Alpha, and Delta variants, with a decrease to below WA1 levels in the original
286 Omicron strain (BA.1) with a gradual steady increase with BA.2, BA4/5, BQ.1 to XBB
287 variant. (Fig. 5a to c). We repeated this experiment using an alternative assay based on
288 syncytia formation between human 293FT cells co-transfected with plasmids expressing
289 pmaxGFP and S and human lung epithelial Calu-3 cells (Fig. 5d). This demonstrated the
290 same pattern, with the major difference being less severe increases in Alpha and Delta
291 fusogenicity, but following the trend of increased fusogenicity (Fig. 5d to f).

292 Interestingly, plotting fusogenicity vs. the median date of variant emergence (Fig.S11)
293 showed an increased fusogenicity of S following SARS-CoV-2 evolution in 2 phases (Fig.
294 5g). Moreover, linear regression analysis of S fusogenicity in each phase, with the median
295 date, yielded a positive correlation for both assays, with R² values ranging from 0.70 to

296 0.91 (Fig. 5h). These data suggest a new model for SARS-CoV-2 evolution, with newly
297 introduced strains with major antigenic changes (WA and Omicron BA.1) with low
298 fusogenicity evolving under adaptive and innate immune pressure to increase
299 fusogenicity.

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302 DISCUSSION

303 We have addressed why the FCS has been nearly perfectly maintained in millions of
304 isolates during the first 3 years of SARS-CoV-2 evolution in humans. Previous studies
305 established the critical role of the FCS in SARS-CoV-2 replication in human nasal
306 epithelial cells and ferret transmission²⁰ and that an intact FCS increases pathogenesis
307 in mice and hamsters^{19,21-24}.

308 Our findings support the conclusion that the FCS increases SARS-CoV-2 fitness by
309 enhancing syncytia formation, which enables virus to escape IFN-induced virion entry
310 inhibition. In IFN-incompetent cells, e.g. Vero cells which cannot secrete IFN, syncytia
311 retard viral replication, resulting in the rapid selection of FCS loss mutants, as reported in
312 many studies^{19-21,43}. We show that syncytia enable S-expressing VSV to escape IFN,
313 suggesting a general explanation for selecting syncytia-forming viruses in the presence
314 of IFN pressure. We further demonstrate that syncytia formation reduces the efficiency
315 of VN Abs *in vitro*, consistent with a contribution to FCS fitness in immune hosts. This
316 may be a mass action effect based on the need for Ab to block more S present on infected
317 cells vs. virions.

318 SARS-CoV-2 S evolution in humans exhibits a punctuated pattern. Following the
319 December 2019 SARS-CoV-2 introduction into humans, S evolved relatively gradually
320 (though faster than IAV HA, the previous poster virus for antigenic drift). The appearance
321 of Omicron BA.1 in Nov 2021 marked a major acceleration in SARS-CoV-2 evolution with
322 34 S amino acid substitutions compared to circulating strains, more akin to antigenic shift
323 in IAV than antigenic drift. This virus likely evolved in an immunocompromised individual,
324 enabling sequential selection of Ab escape mutants⁴⁴⁻⁵⁰. If such an individual were also

325 deficient in IFN-mediated anti-viral activity, this would greatly favor the selection of less
326 fusogenic viruses, which we show have a selective growth advantage in IFN pathway-
327 compromised cells.

328 While our study does not directly examine the association between fusogenicity and viral
329 pathogenicity, the SARS-CoV-2 literature suggests a positive correlation. The hallmark
330 substitution P681R in the Delta variant that augments fusogenicity contributes to
331 pathogenicity³. The pathogenicity of Omicron BA.1, while attenuated compared to Delta,
332 increases in parallel with fusogenicity with variant evolution ^{40,51-54}.

333 In conclusion, our findings highlight the crucial role of the S FCS in creating viral syncytia,
334 allowing SARS-CoV-2 to evade both innate and adaptive host immunity. Our observation
335 that IFN escape also applies to rVSV and rIAV engineered to utilize S for viral entry is
336 consistent with a general role for viral syncytia in evading IFN responses likely to apply
337 to other syncytia-forming viruses.

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346 **FIGURE LEGENDS**

347 **Figure 1 Furin cleavage site confers VSV and SARS-CoV-2 resistance to IFN- β anti-
348 viral activity in cell culture.**

349 **a** Schematic of SARS-CoV-2 S protein structure(up), signal sequence (SS); N-terminal
350 domain (NTD); receptor-binding domain(RBD); receptor-binding motif(RBM); S1/S2
351 protease cleavage site/furin cleavage site(S1/S2 FCS); S2' protease cleavage site(S2');
352 fusion peptide(FP); heptad repeat 1(HR1); central helix(CH); connector domain(CD);
353 heptad repeat 2(HR2); transmembrane domain(TM). Polygenetic tree and alignment of S
354 FCS region sequences from five β coronaviruses (bottom). The conserved two key
355 residues RXXR in FCS and cleaved residue are arrow-headed.

356 **b** Mutations at FCS in patient SARS-CoV-2 isolates. Substitution counts at each residue
357 at or near the FCS in ~13.9 million SARS-CoV-2 genome sequences deposited to the
358 GISAID database as of May 26th, 2023.

359 **c** Mutation frequency at FCS in passaged recombinant replication-competent rVSV-S
360 virus in BHK21-ACE2 cells. The viral genomes of passage 2 to 4 viral stocks were
361 subjected to next-generation sequencing to identify mutations in the S gene, revealing
362 mutations in only FCS.

363 **d** and **e** Vero cells were infected at an MOI of 0.01 by rVSV-S (**d**) (n=3) or rSARS-CoV-
364 2(**e**) (n=3). Fluorescence intensity in infected cells was determined by high-content
365 imaging, and virus titers in infected cell supernatants were quantified by infected cell flow
366 cytometry. Data show mean \pm s.d.

367 **f** and **g** Sensitivity of *wt* and R685S -bearing viruses to exogenous IFN- β in Vero cells.
368 Cells were treated with IFN- β at 0.05 (left) or 0.1 (right) ng/ml for 20 h prior to infection by
369 rVSV-S (**f**)(n=3) or rSARS-CoV-2(**g**)(n=3) at a MOI of 0.01. After virus inoculation, media
370 were replaced with media containing the same amount of IFN- β . Data show mean \pm s.d.

371 **h** and **i** Blocking JAK1/2 with Ruxolitilib (ruxo) enhances R685S replication in A549-ACE2
372 cells. A549-ACE2 cells were treated with 2 μ M ruxo for 2 h prior to infection by rVSV-S(**h**)
373 or rSARS-CoV-2(**i**) at MOI of 0.01, with ruxo maintained throughout the infection. Fold
374 change of mean fluorescence intensity (MFI) of infected cells (left) and fold change of titer

375 in the supernatant (right) were normalized by mock-treated values. n=3, except the left
376 panel of **i**. in which n=4 per group. Data show mean \pm s.d.

377 Statistical analysis was performed using a two-tailed, unpaired t-test with Welch's
378 correction. Results represent two independent experiments except for the result in **c**,
379 which was performed once. *P < 0.05, **P < 0.01, ***P < 0.001 and ****P < 0.0001; ns,
380 not significant.

381

382 **Figure 2 Syncytia confer virus resistance to IFN- β anti-viral activity.**

383 **a** and **b** Effect of exogenous IFN- β to viral entry on *wt* and R685S in rVSV-S (**a**) and
384 rSARS-CoV-2 (**b**) was measured in Vero cells at 7 h.p.i with a MOI of 0.01. Series diluted
385 IFN- β was added to monolayers 20 h prior to inoculation. Data show mean \pm s.d (n=3).

386 **c** Syncytia mediated by S in Vero cells. Vero cells transfected with S expressed from
387 eGFP-IRES-S mRNA were overlaid to Vero cells transfected with mScarlet-plasmid (RFP)
388 at a ratio of 1:4 and incubated for 18-20 h. Syncytial area as determined by GFP-RFP
389 overlapping pixels. Data show mean \pm s.d (n = 3).

390 **d** Time-lapse imaging of rVSV-S infection in Vero cells exposed to IFN- β (0.025 ng/ml)
391 20 h prior to infection, at MOI of 0.04. Scale bar, 250 μ m

392 **e** The area (left) and fluorescence intensity (right) of infection foci in **d**. Data show mean
393 \pm s.e.m (n = 500).

394 **f** Representative images of rSARS-CoV-2 *wt* and R685S infections in Vero cells under
395 IFN- β treatment (0.1 ng/ml) at 36 h.p.i. Higher-magnification views of the regions
396 indicated by squares are shown in the right images. Scale bar, 100 μ m

397 **g** Area (left) and fluorescence intensity (right) of infection foci in **f**. Data show mean \pm
398 s.e.m (n = 78-165).

399 **h** Syncytia formation of rVSV-S *wt* infection in Vero cells under IFN- β treatment.
400 Representative images at 48 h.p.i. (up), and time-lapse measure of mean area of fused
401 focus (setting: object size>60 μ m in Gen5) from 18 h.p.i to 48 h.p.i(bottom) (n = 24 fields
402 per group).

403 **i** HA-deficient PR8-mCherry replicates in S-mediated syncytia in Vero cells. The workflow
404 was drawn by BioRender and shown at the top. Representative images are shown at the
405 bottom.

406 Statistical analysis was performed using a one-way ANOVA with multiple comparisons.
407 ***P < 0.001; ns, not significant. Results are representative of two independent
408 experiments.

409

410 **Figure 3 FCS confers SARS-CoV-2 resistance to IFNs in human small airway
411 epithelial cells and in hACE2 transgenic mice.**

412 **a-c** Sensitivity of rSARS-CoV-2 *wt* and R685S to IFNs in small airway epithelial cell in air-
413 liquid interface (ALI) format. Representative images of infection in entire ALI cultures
414 treated with IFN- β (0.2 ng/ml) or IFN- λ 2 (10 ng/ml) at 4 d.p.i with 10^4 FFU/culture for
415 inoculation(**a**). Fluorescence Intensity of infected cells treated with PBS (left), IFN-
416 β (middle) or INF- λ 2 (right) (**b**, n= 9). Titer of apical wash from infected cells treated with
417 PBS (left), IFN- β (middle) or IFN- λ 2 (right) (**c**, n=6). 3 donors for each group. Data show
418 mean \pm s.d.

419 **d** Representative images of syncytia formation in infected small airway ALI treated with
420 IFN- β (0.2 ng/ml) or IFN- λ 2 (10 ng/ml) at 4 d.p.i. ALI was stained with anti-AcTub (ciliated
421 cells, green signal) and counterstained with DAPI (gray signal). The infection by SARS-
422 CoV-2 was shown by mCherry (red signal). Z projection was shown. Scale bar, 5 μ m.

423 **e** Syncytia ratio of rSARS-CoV-2 infection in small airway ALI with IFN treatment at 4 d.p.i.
424 The number of individual infected and syncytial cell nuclei was determined from
425 reconstructed 3D confocal images (syncytia defined as 3 or more nuclei in one infected
426 focus). 28 to 47 fields per group were analyzed. Data show mean \pm s.d (n=3).

427 **f** The nuclei number per syncytia in rSARS-CoV-2 infected in small airway ALI. Data were
428 fit in Gaussian distribution and shown in mean \pm s.d (n=3).

429 **g** Cell types present in syncytia. Infected small airway ALI were stained with anti-AcTub
430 (green signal, marker for ciliated cell), anti-Cytk5 (yellow signal, marker for basal cell) and

431 anti-Muc5A (cyan signal, marker for goblet cell) Abs and counterstained with DAPI (gray
432 signal). Individual syncytia were analyzed to determine cell types in syncytia from 3D
433 reconstructed confocal images. The distribution of cell types in syncytia is shown by the
434 pie chart on right. Scale bar, 5 μ m.

435 **h** Comparison of rSARS-CoV-2 *wt* and R685S replication in primary nasal epithelial cells
436 in ALI format (MucilAir from Epithelix) at 4 d.p.i. Fluorescence intensity of infected cells
437 (left) and virus titer from apical wash (right) are shown. Data show mean \pm s.d (n=4).

438 **i-j** Viral load of rSARS-CoV-2 *wt* and R685S infection in lung tissue of K18-hACE2 mice
439 with (right) or without (left) IFN- λ 2 treatment. Viral RNA copies (**i**) and infectious viral titer
440 in infected lungs (**j**) were shown. Data show a combination of two independent
441 experiments. Data show mean \pm s.e.m (n=11). DL, detection limit. Statistical analysis was
442 performed using a two-tailed, unpaired t-test (**b,c,h,i,j**) or one-way ANOVA (**e**) with
443 multiple comparisons. *P < 0.05, **P < 0.01, ***P < 0.001 and ****P < 0.0001; ns, not
444 significant.

445

446 **Figure 4 Correlation between syncytia formation and IFN resistance.**

447 **a** IFN- β (0.1 ng/ml) pretreated Vero cells were infected (MOI 0.01) with rVSV-S
448 expressing P681R, Delta or Omicron (BA.1) S at 20 h.p.i. IFN- β (0.1 ng/ml) was
449 maintained through infection.

450 **b** As in a, with area (top) and fluorescence intensity (bottom) of individual infection foci
451 measured following infection: *wt* (n=1147), P681R (n=888), Delta (n=1179), Omicron
452 (n=1004). Data show mean \pm s.e.m

453 **c** Dose titration of indicated IFN-treated cells infected with rVSV- S virus expressing *wt*,
454 R685S, P681R, Delta or Omicron S was determined in Vero cells at 20 h.p.i. Cells were
455 treated by a series of diluted IFNs 18-20 h prior to infection and corresponding IFNs were
456 maintained throughout the infection. Data were fitted using nonlinear regression. Data
457 show mean \pm s.d. (n=3).

458 **d** Correlation of IC₅₀ with fusion index for rVSV-S infected Vero cells. The fusion index
459 was calculated by dividing the nuclei number of syncytia foci by the nuclei number of

460 individual infected cells. Linear regression was performed to correlate the IC₅₀ with the
461 fusion index. Details are described in the Method section.

462 **e** and **f** Vero cell infection 36 h.p.i with the rSARS-CoV-2 expressing S indicated. Cells
463 were pretreated for 18-20 h with IFN- β (0.1 ng/ml), which was maintained during the
464 infection, mCherry and staining with anti-nucleocapsid (N) protein antibody were shown
465 to indicate infection foci. The area(top) and fluorescence intensity(bottom) of infection foci
466 in the infection of rSARS-CoV-2 *wt*(n=156), P681R(n=146), Delta(n=149), and
467 Omicron(n=113). Data show mean \pm s.e.m.

468 **g** IFN- β sensitivity of rSARS-CoV-2 virus bearing *wt*, R685S, P681R, Delta and Omicron
469 S in Calu-3 cells at 24 h.p.i. Cells were treated by IFN 18-20 h prior to infection and
470 corresponding IFN were maintained throughout the infection. Data show mean \pm s.d (n=3).

471 **h** Dose titration of rSARS-CoV-2 virus bearing *wt*, R685S, P681R, Delta and Omicron S
472 against type I (IFN- α and - β), type II (IFN- γ) and type III (IFN- λ 2) IFNs were determined
473 in ACE2plusC3 cells at 24 h.p.i. Cells were treated by a series of diluted IFNs 18-20 h
474 prior to infection and corresponding IFNs were maintained throughout the infection.
475 Nonlinear regression was performed to fit the data. Data show mean \pm s.d (n=3).

476 Statistical analysis was performed using a nonparametric Kruskal-Wallis test (**b,f**) or two-
477 way ANOVA test(**g**) with multiple comparisons. *P < 0.05, **P < 0.01, ***P < 0.001 and
478 ****P < 0.0001; ns, not significant. Results are representative of two independent
479 experiments.

480

481 **Figure 5 Fusogenicity over the course of SARS-CoV-2 evolution occurs in a phase-
482 dependent manner.**

483 **a-c** Syncytia formation mediated by S protein from circulating SARS-CoV-2 variants was
484 measured in Vero cells using the GFP dual split protein (DSP) system. Vero cells
485 transfected with DSP₁₋₇ were mixed with Vero cells transfected with DSP₈₋₁₁, then the
486 mixed cells were transfected with S-bearing plasmid. Representative images showing
487 syncytia mediated by S from indicated circulating variants at 24 h.p.i. (**a**). Total GFP

488 positive area normalized to *wt* S (**b**) and GFP positive individual focus area (**c**) were
489 determined (n=4 wells per group).

490 **d-f** Syncytia mediated by S protein from circulating SARS-CoV-2 variants was measured
491 in 293FT and Calu-3 cells. 293FT cells co-transfected with S-and pmaxGFP expression
492 plasmids were overlayed on 100% confluent Calu-3 cells for 24 h. Total GFP positive area
493 normalized to *wt* S (**e**) and GFP positive individual focus area (**f**) were determined (n=4
494 wells per group).

495 **g** and **h** Correlation of fusion rate with median isolation date of each circulating variant in
496 two phases. Two independent assays for measuring cell-cell fusion rate of each S of
497 dominant circulating variants showed an increased fusogenicity of S in 2 phases (**g**). In
498 **h**, the top shows the correlation of variants of *wt*, D614G, Alpha and Delta in phase 1,
499 and the bottom shows Omicron subvariants in phase 2 (**h**).

500

501

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510

511 **Author contributions**

512 T.L., J.W.Y. conceptualized the study. T.L., designed and performed experiments. I.K., M.K. and
513 H.X. performed in vivo experiments. T.L., Z.H., G.S., analyzed syncytia formation in the infection
514 of cultured epithelial cells in ALI. T.L. and J.H. generated stable cell lines. J.G. performed the
515 analysis of SARS-CoV-2 variants proportion. I.K., A.C. and R.F.J. provided essential recourse
516 and scientific input. C.Y. and L.M-S. provided BAC reverse genetic system for recombinant
517 SARS-CoV-2 generation. T.L. and J.W.Y. wrote the manuscript. J.W.Y. acquired funding. All the
518 authors reviewed and proofread the manuscript.

519 **Competing interests**

520 The authors declare that they have no competing interests.

521

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523

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772 **Methods**

773 **Cell culture**

774 We used baby hamster kidney fibroblast BHK21 (ATCC; CCL-10), African green monkey kidney
775 Vero E6 (ATCC; C1008, Clone E6) Vero (provided by Dr. Nihal Altan-Bonnet, NHLBI), human
776 embryonic kidney HEK293FT cells (Thermo Fisher; R70007), human lung adenocarcinoma A549
777 cells (ATCC; CCL-185) Calu-3 cells (ATCC; HTB-55), human colorectal adenocarcinoma Caco-
778 2 cells (ATCC; HTB-37) cells. All cells were cultured in Dulbecco's modified Eagle's medium
779 (DMEM) (Gibco; 10569044) supplemented with 10% fetal bovine serum (FBS, HyClone, no.
780 SH30071.03) and 50 µg/ml Gentamicin (Quality Biological). We generated BHK21 cells stably
781 expressing human ACE2 (BHK21-ACE2), A549 cells stably expressing human ACE2 (A549-
782 ACE2), Vero E6 cells stably expressing human TMPRSS2 (Vero E6-TMPRSS2) and 293FT cells
783 stably expressing T7 polymerase and VSVG (293FT-VSVG-T7pol) using the Sleeping Beauty
784 transposon plasmid expression system ⁵⁵. Vero E6 cells stably expressing human ACE2 and
785 TMPRSS2 (Vero E6-AT2) were obtained from BEI (NR-54970). A549 cells stably expressing
786 human ACE2 and TMPRSS2 (ACE2plusC3, ATCC; CRL-3560) were provided by Dr. Ching-Wen
787 Chang (University of Massachusetts Chan Medical School). Cell lines were confirmed to be
788 mycoplasma-free using MycoStrip (InvivoGen, rep-mys-50). Primary human small airway
789 epithelial cells (HSAEC, ATCC, PCS-301-010) were purchased from ATCC and maintained in
790 PneumaCult™-Ex Plus Medium (STEMCELL Technologies) according to the manufacturer's
791 instructions. All cell lines were incubated at 37 °C and 5% CO₂ in a humidified incubator.

792 **Plasmid construction**

793 The plasmid-based VSV reverse genetic system (pVSV eGFP dG) was obtained from Addgene
794 (#31842) and modified to insert the wild-type S gene of the original Wuhan-Hu-1 strain of SARS-
795 CoV-2 (GenBank MN908947.3) with a 21 amino acid deletion in its C terminal, between M and L
796 genes, using standard molecular techniques. In brief, the VSV antigenome without the G gene and
797 the SARS-CoV-2 S gene were amplified by PCR using Platinum™ SuperFi II PCR Master Mix
798 (Thermo Fisher). PCR products were gel-purified and assembled using NEBuilder® HiFi DNA
799 Assembly Master Mix (NEB). The assembled product was transformed into NEB 5-alpha Competent
800 E. coli (NEB) using the standard protocol, and the cells were plated on carbenicillin LB agar plates
801 (Quality Biological). Colonies were selected for Sanger sequencing to confirm the S gene insertion.
802 Confirmed clones were cultured, and plasmids were isolated using the Midi prep plus kit (Qiagen).

803 pVSV-SARS-CoV-2-S with mCherry was constructed using the same method by replacing eGFP in
804 the antigenome.

805 We generated rSARS-CoV-2 viruses using the bacterial artificial chromosome (BAC)-based
806 SARS-CoV-2 reverse genetic system⁵⁶. The pBAC-SARS-CoV-2-mCherry-2A was digested with
807 BstBI (FastDigest, Thermo Fisher) and BamHI (FastDigest, Thermo Fisher) and the larger
808 fragment was purified by Zymoclean Large Fragment DNA Recovery Kit (Zymo Research). An
809 intermediate plasmid, pUC57-orf1-S, containing a portion of the pBAC-SARS-CoV-2 genome,
810 was used to introduce mutations in the FCS of the S gene or to generate Delta- and Omicron-S
811 variants. To generate pUC57-orf1-S R685S, P681R, site-directed mutagenesis was performed
812 on the pUC57-orf1-S plasmid. To create pUC57-orf1-S Delta-S and Omicron-S, the WA1 S gene
813 was replaced by the Delta or Omicron S gene using NEBuilder® HiFi DNA Assembly Master Mix
814 following the manufacturer's instructions. Expected nucleotide sequences of pUC57-orf1-S with
815 R685S, P681R, Delta or Omicron S gene were confirmed by Sanger sequencing. PCR reactions
816 were conducted to amplify the fragment with partial orf1 and S genes, and products were
817 assembled with the larger fragment by NEBuilder® HiFi DNA Assembly Master Mix. The
818 assembled reaction was transformed into NEB® 10-beta Competent E. coli cells (NEB) following
819 the manufacturer's instruction. Bacterial colonies were selected for Sanger sequencing to confirm
820 the S gene sequence, and confirmed colonies were subjected to maxiprep to isolate the BCA
821 plasmids.

822 The sleeping beauty system⁵⁵ was obtained from Addgene. Briefly, the genes for hACE2,
823 TMPRSS2, codon-optimized T7 polymerase or VSVG were PCR amplified using primers
824 containing BstBI restriction enzyme site. PCR products were purified and subcloned into pSBbi
825 or tet-on inducible pSBtet vector that had been digested by BstBI. Confirmatory sequencing was
826 performed on all constructs.

827 To express S we used a pHAGE-eGFP backbone vector. Briefly, genes encoding S and S variants
828 were PCR amplified and subcloned into pHAGE-eGFP, forming an expression cassette of eGFP-
829 IRES-S using NEBuilder® HiFi DNA Assembly Master Mix. All S genes lacked codons for the 21
830 C-terminal residues to increase cell surface expression. Codon-optimized full-length S-bearing
831 pCAGGS plasmids, except the one containing *wt* S, were obtained as a gift from Marceline Côté
832 at Addgene. *wt* S was generated by standard site mutagenesis from D614G S. All plasmids were
833 sequenced to confirm nucleotide sequence fidelity.

834 **Generation of stable cell lines**

835 Stable cell lines, except as indicated, were generated by the Sleeping Beauty transposase system.
836 Briefly, cells were seeded on a 60-mm plate, and the following day, cells were co-transfected with
837 0.5 µg of pCMV(CAT)T7-SB100 (transposase vector; Addgene, 34879) and 5 µg of pSBbi or
838 pSBtet containing gene of interest using TransIT-LT1 transfection reagent (Mirus Bio), following
839 the manufacturer's instructions. After 24 h, cells were detached and transferred to T-75 flasks,
840 followed by selection with corresponding antibiotics for 2 weeks. Cell surface expression of
841 hACE2 or TMPRSS2 was confirmed by flow cytometry. The functionality of T7 polymerase and
842 VSVG expression in 293FT-T7pol-VSVG cell lines was determined using pUC19-T7pro-IRES-
843 EGFP (Addgene, 138586) or through the recovery of rVSV virus.

844 **Generation of rVSV-SARS-CoV-2 S**

845 Due to the lower efficiency of the rVSV system for rescuing viruses⁵⁷, we optimized the rescue
846 system using a stable 293FT cell line expressing T7 polymerase and VSVG, without using vaccina
847 helper virus vTF7-3. This optimized system allowed us to efficiently recover rVSV-S, bearing an
848 ancestral SARS-CoV-2 *wt* S as well as S variants. The generation of rVSV-S and its use in tissue
849 culture at biosafety level 2 conditions was approved by the Institutional Biosafety Committee (IBC)
850 at The National Institute of Allergy and Infectious Diseases (NIAID). Plasmid-based rescue of the
851 rVSV was performed as described^{28,29} with modifications. Briefly, 293FT-T7pol-VSVG cells in a 6-
852 well plate were transfected with the VSV antigenome plasmid, along with plasmids expressing
853 codon-optimized T7 polymerase (T7opt in pCAGGS, addgene, 65974), and VSV -N, -P, -L and -G-
854 expressing plasmids (Addgene, 64087, 64088, 64085 and 8454), using TransIT-LT1 transfection
855 reagent. Media were exchanged with fresh complete DMEM containing doxycycline (1ug/ml, for
856 VSVG expression). Cells were monitored by fluorescence microscopy every day for 2-3 d.
857 Transfected cells with GFP- or mCherry-positive clusters and typical cytopathic effect (CPE) were
858 collected as passage 0 and inoculated into fresh BHK21-ACE2 cells to propagate viral stock P1,
859 which underwent further propagations in BHK21-ACE2 cells. Viral passages were subjected to
860 Sanger and next-generation sequencing to verify S gene or viral genome sequences. Plaque
861 purification was performed on Vero cells with viral passage 4. Each purified plaque was Sanger
862 sequenced for the entire S gene. Plaque-purified virus, along with rescued rVSV viruses bearing
863 P681R, Delta, and Omicron S, were propagated in Vero E6-TMPRSS2 cells. Supernatants were
864 confirmed by NGS, aliquoted, and stored at -80°C for further experiments.

865 **Generation of recombinant SARS-CoV-2**

866 Generating rSARS-CoV-2 viruses and their use in tissue culture at biosafety level 3 were approved
867 by the Institutional Biosafety Committee (IBC) and the Dual Use Research of Concern Institutional

868 Review Entity (DURC-IRE) at NIAID. We fused the mCherry gene with the N gene via a 2A linker
869 using a bacterial artificial chromosome-based SARS-CoV-2 reverse genetic system⁵⁶. Confluent
870 BHK21-ACE2 (2×10⁶ cells/well in 6-well plates, duplicates) were transfected with 2.5 µg/well of
871 pBAC-SARS-CoV-2 using Transit-LT1 transfection reagent. Media were exchanged with fresh
872 DMEM containing 2% FBS 6 h post-transfection. After 48-72 h, mCherry-positive cells displaying
873 typical viral infection were detached and collected, along with supernatant, labeled as P0, and stored
874 at -80°C. The P0 viral stock was centrifuged to remove cell debris and used to infect fresh Vero E6-
875 TMPRSS2 cells for 48-72 h. The supernatant was collected as P1. After confirming the rescued virus
876 (P1) by Sanger sequencing, the P0 virus underwent two rounds of propagation, resulting in a new
877 virus stock (P2), which was titrated for further experiments after NGS confirmation of the viral
878 genome sequence.

879 **Virus infectivity titration**

880 To titrate virus, Vero E6 or Vero E6-TMPRSS2 cells were seeded in a 12-well plate at 3×10⁵ cells
881 per well. The following day, viral stocks were serially diluted and inoculated onto confluent cells
882 for 1 h with gentle shaking every 15 min. After removal of the inoculation, the cells were covered
883 by 1× plaque MEM medium containing 4% FBS and 1.25% Avicel. At 24 h.p.i, cells were fixed
884 with 4% paraformaldehyde (PFA) or 10% neutral buffered formalin (NBF) for 30 min at RT. The
885 fixed plates were scanned using the high-content imaging system Cytaion 5 (Agilent), with either
886 the GFP channel for rVSV-S or the Texas red channel for rSARS-CoV-2 virus. Raw images were
887 processed and stitched with Gen5 3.12 (Agilent) in a default setting, and focus-forming unit (FFU)
888 was determined.

889 For titration of viral stocks collected from infected monolayer cells or ALI apical wash, Vero E6-
890 TMPRSS2(for monolayer) or Vero E6-AT2 (for ALI Apical wash) cells were seeded in a black 96-
891 well plate at 3×10⁴ cells per well. The following day, viral supernatant was serially diluted and
892 inoculated onto the cells for 1 h with gentle shaking every 15 min. After removal of the inoculation,
893 fresh completed DMEM medium was added and incubated for 7-8 h. Following incubation, cells
894 were fixed with 4% PFA or 10% NBF for 30 min at RT. The fixed plate was scanned by high-
895 content imaging system Cytaion 5 with either GFP channel for rVSV-S or Texas red channel for
896 recombinant rSARS-CoV-2 virus. The raw images were processed and with Gen5 3.12 in a
897 default setting, and FFU were determined using the cellular analysis mode. Alternatively, cells
898 were detached by TrypLE™ Express Enzyme (Thermo Fisher), fixed by 4% PFA for 30 min at RT,
899 and subjected to flow cytometry analysis.

900 **RNA extraction, RT-PCR, and Sanger sequencing**

901 Viral RNAs were extracted by the QIAamp Viral RNA Mini Kit (Qiagen) according to the
902 manufacturer's instructions. After extraction, the RNAs were dissolved in 20 μ l nuclease-free
903 water. Two μ l of RNA samples was used for reverse transcription with the AccuScript High-Fidelity
904 1st Strand cDNA Synthesis Kit (Agilent; 200820) using random hexamer primers. DNA fragments
905 containing the entire S gene were amplified by PCR. The resulting DNAs were purified by the
906 QIAquick PCR Purification Kit (Qiagen), and the sequences were determined by Sanger
907 sequencing by Psomagen (Rockville, MD).

908 **Next-generation sequencing**

909 Ten μ l viral stock total RNA was used as input for NGS library preparing following the Illumina
910 Stranded Total RNA Prep, Ligation (Illumina). Purified libraries were quantified using the Kapa
911 Library Quantification Kit (Roche), pooled in equimolar concentrations, and sequenced as 2 x 150
912 bp reads on the MiSeq instrument using the MiSeq Reagent Micro kit v2 (Illumina). Raw image
913 files were converted to fastq files using bcl2fastq (v2.20.0.422, Illumina) and processed as
914 previously described⁵⁸. Reference sequences used for mapping included SARS-CoV-2 genome
915 (MN985325.1), Delta and Omicron S sequences, as well as the rVSV-S construct sequence.
916 Detected variants were confirmed by visual inspection using the Integrative Genomics Viewer⁵⁹.

917 **Cultured Cell Infection**

918 We infected Vero or ACE2plusC3 cells with rVSV-S or rSARS-CoV-2 as described¹⁹. In brief,
919 cells were seeded in a 24-well plate one day prior to infection. on the following day, confluent cells
920 were infected with rVSV-S or rSARS-CoV-2 at a MOI of 0.01 (or indicated MOI) at 37 °C for 1 h
921 with gentle shaking at every 15 min. Cells were washed twice with DPBS and fresh complete
922 medium was added. Supernatant was collected and centrifugated to remove cell debris and
923 stored at -80 °C. Infected monolayers were fixed with 4% PFA for 30 min at RT and scanned by
924 a Cytation 5 and fluorescence intensity was determined by cellular analysis mode in Gen5 3.12.

925 For time series measurement of replication kinetics (Fig. S3a-c), 100 FFU of each virus was
926 applied to Vero cells in a 12-well plate. Images were captured at 24, 28, 36 and 48 h.p.i. Area and
927 fluorescence intensity of infection foci were determined in cellular analysis mode in Gen5 3.12.

928 **IFN- β inhibition of infection**

929 Vero cells were pretreated with the indicated concentration of IFN- β (Peprotech; 300-02BC) for
930 18-20 h. Subsequently, cells were inoculated with either rVSV-S or rSARS-CoV-2 for 1 h. After

931 removing the inoculum, fresh media with the indicated concentration of IFN- β was added. Infected
932 cells were either scanned live or after PFA fixation (4%) at indicated times. The fluorescence
933 intensity of infection foci was determined using cellular analysis mode by Gen5 3.12.

934 For time series recording of rVSV-S infection in Vero cells under IFN- β treatment following the
935 procedure described above cells were inoculated with WT and R685S at MOI 0.01 or indicated
936 MOI for 1 h. Following inoculation, cells were washed, and fresh media with the corresponding
937 concentration of IFN- β were added. At 18 h.p.i, plates were time-lapse recorded for eGFP channel
938 using a 10 \times objective with Cytation 5 under 5% CO₂ at 37°C. The interval time was 30 min for the
939 recording. The Video (supplementary video.1-4) was made by Gen5 3.12 by default setting.

940 **Ruxolitinib treatment**

941 A549-ACE2 cells were seeded in 24-well plate one day prior to infection. On the following day,
942 the cells were treated with 2 μ M ruxolitinib for 2 h and washed with PBS. Cells were then infected
943 with *wt* or R685S virus with MOI of 0.05 for 1 h, washed, and fresh media with 2 μ M ruxolitinib
944 were added. Cells were then incubated for 48 or 72 h. The supernatant was centrifuged to remove
945 cell debris and stored at -80°C. Infected monolayers were fixed by 4% PFA and scanned using a
946 Cytation 5. Raw images were acquired, processed, and stitched with Gen5 3.12 by default
947 settings. Cellular analysis mode was conducted to analyze the fluorescence intensity.

948 **Competition assay**

949 Competition assays were performed as described ¹⁹. Ratios (50:50, 90:10, and 10:90 of *wt*: R685S)
950 were determined by FFU derived from viral stocks. Cells were infected at an MOI of 0.1 (*wt* and
951 R685S) as described in “Cultured Cell Infection” section. Infectivity titers were determined by flow
952 cytometry as described above.

953 **IFN- β viral infection inhibition**

954 Vero cells were seeded in a black 96-well plate at a density of 3×10^4 cells per well and incubated
955 overnight. Cells were treated with IFN- β at 4-fold serial dilutions for 20 h and infected with *wt* or
956 R685S at an MOI of 0.05 for 1 h. Following inoculation, cells were washed, and fresh media were
957 added to cells for incubation for 7 h at 37°C. Cells were then fixed with 4% PFA, and images were
958 acquired using Cytation 5. Cellular analysis was performed to quantitate infections using Gen5
959 3.12. “Infection inhibition” was calculated by dividing the fluorescence intensity of IFN- β -treated
960 samples by mock-treated samples.

961 **Transfection-based cell-cell fusion assay**

962 Vero cells were seeded in a 24-well plate at a density of 1.5×10^5 cells per well. The following
963 day, receptor cells were transfected with pLifeAct-mScarlet. Donor cells were transfected with
964 pHAGE-eGFP-IRES-S *wt* or R685S for 4-6 h and detached using trypLE. Detached donor cells
965 were overlaid onto receptor cells at a 1:4 ratio for 20 h. Subsequently, cells were washed and
966 fixed with 4% PFA. Images were acquired, and fluorescence intensity was determined as above.

967 **Single-cycle influenza virus-based cell-cell fusion assay**

968 Recombinant influenza PR8 virus with the HA gene was replaced by the mCherry gene, was used
969 to infect donor Vero cells at an MOI of 0.02. Following inoculation, donor cells were transfected
970 with an S-expression plasmid. Receptor Vero cells were transfected with the pmaxGFP plasmid
971 for 20 h. Four h post-transfection, donor cells were detached and overlaid onto receptor cells at
972 a 1:4 ratio for 24 h. Cells were washed with DPBS to remove floating cells before fixation with 4%
973 PFA and imaging as above.

974 **Fluorescent virus microneutralization assay**

975 VN assays were conducted using rVSV-S or rSARS-CoV-2 virus, following previously established
976 protocols¹⁹. Vero-ACE2 cells were plated on a black flat-bottom 96-well plate (Costar, 3603). The
977 next day, mAbs were serially diluted in 4-fold dilutions and incubated with 500 FFU of rVSV-S *wt*
978 or R685S expressing eGFP at 37°C for 30 min and the virus-antibody mixture was transferred to
979 cells. After 7 h, the plate was sealed with a parafilm membrane and scanned for eGFP
980 fluorescence on Cytation 5 under 5% CO₂ at 37°C. Subsequently, the plate was returned to the
981 incubator at 5% CO₂ and 37°C. At 20 h.p.i, the plate was re-scanned for eGFP fluorescence using
982 the same settings as at 7 h.p.i.

983 A similar experimental procedure was conducted for the neutralization assay for rSARS-CoV-2.
984 Due to BSL-3 laboratory contamination, a duplicate plate of each infection was set in the rSARS-
985 CoV-2 infection. Plates were fixed with 4% PFA for 30 min at 7 and 20 h.p.i, respectively.

986 Raw images (2 × 2 montage) for each well were acquired using a 4× objective, processed, and
987 stitched using default settings. eGFP-positive or mCherry-positive objects were quantified for
988 each well. VN activity was determined by dividing the eGFP or mCherry intensity of mAb treated
989 cells by the intensity of correspond mock-treated cells. The nonlinear regression fit (dose-
990 response model) was employed to determine the neutralization dose 50% of eGFP or mCherry
991 fluorescence (ND₅₀).

992 **IFN inhibition titration**

993 Vero or ACE2plusC3 cells were seeded in a black flat-bottom 96-well plate (Costar, 3603). The
994 following day, cells were treated with varying doses of recombinant human IFN- α 2 (Sino Biological;
995 13833-HNAY), IFN- β (Peprotech; 300-02BC), IFN- γ (Peprotech; 300-02), or IFN- λ 2 (Peprotech;
996 300-02K) for 18-20 h before infection. Media were replaced with viral infection medium the next
997 day, and fresh media containing IFN was added after 1 h inoculation. Cells were fixed with 4%
998 PFA at RT for 30 min 20- or 24-h post-infection. Raw images of infected monolayers were
999 acquired using Cytation 5. IFN inhibitions was calculated by ratio of fluorescence intensity of
1000 infection with IFN vs. mock treatment.

1001 **Fusion Index calculation**

1002 For calculating the fusion index in rVSV-S infection in Vero cells, infected and non-infected (mock
1003 infected) cells were permeabilized and counterstained with DAPI for 10 min at RT. Raw montages
1004 (3 \times 8=24) of infected cells were captured in DAPI and GFP channels using the high-content
1005 imaging system Cytation 5 with a 20x objective. The aggregation of nuclei (as shown in Fig. 4a,e)
1006 in syncytia making it difficult to count the nuclei number in syncytia directly. To do that, we first
1007 counted DAPI stained nuclei in mock infected cells using Gen5 to determine the total number of
1008 cells which represents the total number of cells in infection ($N_{cell\ total}$). We determined the number
1009 of non-infected cells ($N_{cell\ no-infection}$) in infected wells by using a GFP background level determined
1010 from non-infected cultures. We determined the number of non-syncytial cells ($N_{cell\ single}$), including
1011 single infected and non-infected cells, based on the area of the DAPI signal (Gen5 setting: object
1012 size < 400 μm^2 , the area of a single nucleus ranges from about 250-360 μm^2 *in situ*). The fusion
1013 index was then calculated using the following formula:

1014
$$Fusion\ index = \frac{N_{cell\ total} - N_{cell\ single}}{N_{cell\ single} - N_{cell\ no-infection}}$$

1015

1016 **Human respiratory epithelial cells in air-liquid interface format and infection**

1017 Human small airway epithelial cells were obtained from ATCC (PCS-301-010TM, 3 donors: Lot
1018 Number: 70034740, 70035986, 70036650). After two passages in cell proliferation media
1019 (PneumaCult-Ex Plus medium, STEMCELL Technologies) supplemented with antibiotics, cells
1020 were seeded on Transwell inserts (0.4-micron pore size, 6.5mm, Corning; 3470) at a density of
1021 33,000 cells per insert with media added to both the basal and apical sides. Once cells reached
1022 confluence, media were replaced with PneumaCult-ALI-S medium (STEMCELL Technologies) in
1023 the basal chamber, and the apical surface was exposed to establish an air-liquid interface (ALI).
1024 Monolayers were cultured at ALI for 4 weeks to promote differentiation into small airway

1025 epithelium. Nasal epithelium ALI was purchased from Epithelix (Plan-les-Ouates, Switzerland),
1026 which was differentiated from pooled cells of 14 donors (Batch Number: MP0011, differentiated
1027 on February 17th, 2023; Experiments were performed in June 2023.), and was maintained in
1028 MucilAir™ medium (Epithelix).

1029 For SARS-CoV-2 infection, differentiated ALI cultures were pretreated on the basal side with
1030 human IFN- β or IFN- λ 2 at 0.2 or 10 ng/ml, respectively, for 20-24 h. Control wells were mock-
1031 treated with PBS. Following treatment, the apical side of the ALI was washed twice with DPBS
1032 for 5 min at 37°C to remove mucus. Cells were then inoculated with rSARS-CoV-2 *wt* or R685S
1033 virus at 10⁴ FFU diluted in 100 μ l of plain DMEM at the apical side for 2 h at 37°C. After inoculation,
1034 the apical side was washed twice with DPBS and exposed to an air-liquid interface. The culture
1035 medium in the basal chamber was replaced with fresh IFN at 2 d.p.i, and 15 μ l of fresh medium
1036 containing the corresponding IFN were added to the apical chamber to prevent drying after mucus
1037 removal, which would reduce cilia beating frequency. At 4 d.p.i., apical washes with DPBS for 20
1038 min at 37°C were collected for further titration. Infected cells in the transwell were fixed with 4%
1039 PFA for 60 min before removal from the BSL-3 containment area.

1040 **Immunofluorescence staining**

1041 The following primary Abs and IF dilutions were used in this study: Rabbit polyclonal anti-SARS-
1042 CoV-2-N (GeneTex, GTX135357, 1:500), rabbit monoclonal Alexa Fluor® 647 conjugated anti-
1043 Cytokeratin 5 (Cytk5, Abcam, ab193895, 1:200), rabbit monoclonal anti-Acetyl- α -tubulin (AcTub,
1044 Cell Signaling, 5335, 1:1000), mouse monoclonal Ab anti-Mucin 5AC (Muc5A, Invitrogen, MA5-
1045 12178, 1:100). The following secondary Abs were used in this study: cross-absorbed Goat anti-
1046 rabbit Alexa Fluor 750 or 488 (Invitrogen, A21039/A11008, 1:1000), cross-absorbed Goat anti-
1047 mouse Alexa Fluor 488 (Invitrogen, A11029, 1:1000).

1048 For antigen detection, rSARS-CoV-2 infected epithelia were washed in DPBS and permeabilized
1049 with 0.5% TritonX-100 in DPBS for 20 min at RT and blocked with IF buffer (DPBS containing 5%
1050 normal Goat serum and 0.1% TritonX-100) for 1 h at RT after extensive washing with DPBS.
1051 Primary Abs were diluted in antibody dilution buffer (DPBS containing 1% BSA and 0.1% TritonX-
1052 100) and applied to inserts for 1 h at RT or overnight at 4°C. After three washes with DPBS,
1053 samples were incubated with secondary Abs for 1 h at RT. In the case of the primary antibody
1054 (Anti-Cytk5-AF647) derived from the same species as anti-AcTub, sequential staining was
1055 performed. Samples were incubated with 2 μ g/ml of DAPI for 10 min at RT. Inserts were then
1056 washed extensively in DPBS, and membranes were removed from inserts and mounted in
1057 VECTASHIELD® Antifade Mounting Media (Vector Laboratories) prior to microscopy analysis.

1058 **Microscopy and image analysis**

1059 For full ALI epithelial overviews, high-content imaging was performed using the Cytaion 5 system
1060 with a 4X objective in a 24-well black glass bottom plate (Cellvis). Raw images were processed
1061 and stitched by default settings. Cellular analysis mode with object size ranging from 5 to 1000
1062 μm was performed to quantify the overall fluorescence intensity of infection by Gen 5 3.12.

1063 Ab stained infection foci were imaged using a Leica Stellaris 8 (Leica Microsystems, no. 11513859)
1064 in Z-stack mode, and three-dimensional (3D) reconstructions were done with Imaris in 3D view
1065 mode. The entire epithelia were tile scanned using a 63X 1.4 oil objective in low resolution with
1066 the LAS-X Navigator function. This entailed scanning 40x40 fields at 512x512 pixel resolution
1067 (1600 fields in total) for the mCherry channel. Subsequently, 20-45 random fields of infection were
1068 selected for Z-stack scanning, covering five channels (DAPI for nuclei, Alexa Fluor 488 for Muc5A,
1069 mCherry for rSARS-CoV-2 infection, Alexa Fluor 647 for Cytk5, and Alexa Fluor 750 for AcTub)
1070 for each epithelium. Images were captured at 1024 x 1024 pixel resolution with a step size of 0.25
1071 μm . Representative images were processed by LAS-X software or Imaris (Bitplane).

1072 To quantify syncytia (nuclei), randomly acquired fields were reconstructed into 3D structures, and
1073 individual planes were analyzed with Leica LAS-X software. The mCherry signal was used as a
1074 marker of infected cells, and the number of nuclei within each infected focus was determined by
1075 eye.

1076 **Mouse infection**

1077 B6.Cg-Tg(K18-ACE2)2PrImn/J (K18) transgenic mice (JAX Stock No. 034860) were bred at FDA
1078 White Oak Vivarium. Homozygous K18 mice of both sexes at approximately 8–12 weeks were
1079 inoculated with rSARS-CoV-2 *wt* or R685S at 2000 FFU/50 $\mu\text{l}/\text{mouse}$ under light isoflurane
1080 anesthesia. One day before and one day post infection, mice were treated i.n. with recombinant
1081 murine IFN- λ 2 (Peprotech cat no. 250-33) at 2 $\mu\text{g}/50 \mu\text{l}/\text{mouse}$ or 50 $\mu\text{l}/\text{mouse}$ of PBS (mock-
1082 treated). Three d.p.i, mice were euthanized, and whole lungs were harvested for viral
1083 infectivity/PCR titers and cytokine determination. Procedures were performed according to the
1084 animal study protocols approved by the FDA White Oak Animal Program Animal Care and Use
1085 Committee.

1086 **Determination of lung viral titers**

1087 Lung viral titers were measured using both real-time PCR⁶⁰⁻⁶² and focus-forming assay (FFA)⁶³.
1088 RNA was extracted from whole lung homogenates using RNeasy Plus Mini Kit (Qiagen #74136)

1089 and converted to cDNA using the High-Capacity cDNA Reverse Transcription Kit (Thermo Fisher
1090 Scientific #4368813). Copy numbers of SARS-CoV-2 nucleocapsid (N) gene in lung tissues were
1091 determined using 2019-nCoV RUO Kit (Integrated DNA Technologies #10006713 and
1092 QuantiNova SYBR Green PCR kit (Qiagen #208052) according to the following cycling program:
1093 95°C for 120 s, 95°C for 5 s (50 cycles), and 60°C for 18 s⁶⁰⁻⁶². Results were calculated based on
1094 a standard curve constructed using threshold cycle (Ct) values of serially diluted pCC1-CoV2-F7
1095 plasmid expressing SARS-CoV-2 N. A value of 1 was assigned if gene copies were below the
1096 detection limits. FFA was also conducted to measure infectious viral particles in lung
1097 homogenates⁶³. Supernatants of lung homogenates were serially diluted in MEM with 2% FBS
1098 and 1% antibiotics and were added to Vero E6 with human TMPRSS2 overexpression (BPS
1099 Bioscience #78081) pre-seeded in 96-well tissue culture plates. Following the incubation at 37 °C
1100 and 5% CO₂ for 1 h, unattached viruses were removed, and cells were overlaid with 1.2% Avicel
1101 (DuPont) after 1:1 (v/v) mixing with 2x EMEM with 4% FBS and 2% antibiotics⁶³. Cells were
1102 incubated at 37 °C and 5% CO₂ for up to 24 h. After fixing and permeabilization, viral foci were
1103 detected using anti-nucleocapsid rabbit mAb (1:6,000; Sino Biological #40143-R001) and bound
1104 Ab detected by peroxidase-conjugated goat anti-rabbit secondary antibody (1:2,000; SeraCare
1105 #5220-0336) followed by KPL TrueBlue substrate (SeraCare #5510-0030)⁶³.

1106 **Multiplex proinflammatory cytokine measurement**

1107 Proinflammatory cytokines in mouse lung homogenates were measured using a V-PLEX
1108 Proinflammatory Panel 1 Mouse Kit (Meso Scale Discovery # K15048D) according to the
1109 manufacturer's instructions. Data were acquired in a MESO QuickPlex SQ 120 imager equipped
1110 with MSD Discovery Workbench 4.0.12 (LSR_4_0_12).

1111 **Cell-cell fusion assay**

1112 One T75 flask of Vero cells was transfected with a DSP₁₋₇ expression plasmid while another T75
1113 Vero cells was transfected with a DSP₈₋₁₁ expression plasmid. Four h post-transfection cells were
1114 detached using TrypLE and mixed at 1:1 ratio and in 24-well plates. The following day, mixed
1115 cells were transfected with pCAGGS-SARS-CoV-2 S plasmids expressing codon-optimized full-
1116 length S or S variants. 24 h post-transfection, cells were washed and fixed by 4% PFA for 20 min
1117 at RT before being subjected to high-content imaging.

1118 For cell-cell fusion in 293FT and Clau-3 cells, 293FT cells were co-transfected with pmaxGFP
1119 and pCAGGS-SARS-CoV-2 S plasmids. Control samples were co-transfected with pmaxGFP and
1120 pCAGGS empty plasmids. Four h post-transfection, 293FT cells were detached and overlayed

1121 onto 100% confluent Calu-3 cells at a ratio of 1: 50. After 24 h, cells were washed and fixed with
1122 4% PFA for 20 min at RT before being subjected to high-content imaging. Raw images were
1123 processed and stitched by default settings. Cellular analysis mode was performed to determine
1124 the overall fluorescence intensity and area of GFP-positive foci.

1125 **Sequence Alignment and phylogenetic tree**

1126 S sequence alignment and phylogenetic tree were generated by using full-length S protein
1127 sequence with Clustal Omega. Sequences were acquired from NCBI with accession numbers:
1128 OC43-CoV, AXX83381.1; MERS-CoV, YP_009047204.1; SARS-CoV, YP_009825051.1; SARS-
1129 CoV-2, YP_009724390.1; Bat-RatG13, QHR63300.2.

1130 **Statistical analysis**

1131 All statistical tests were performed as described in the figure legends using Prism v9(GraphPad
1132 Software, Inc.). The number of independent experiments performed is indicated in the relevant
1133 figure legends. Statistical significance is set as $P < 0.05$, and P values are indicated with: NS, not
1134 significant; $*P < 0.05$; $**P < 0.01$; $***P < 0.001$, $****P < 0.0001$.

1135 **Data availability**

1136 All data supporting the conclusions of this study are reported in the paper. The raw data are
1137 available from the corresponding author upon reasonable request. Source data are provided in
1138 this paper.

1139

1140 **Figure S1 Furin cleavage site(FCS) motif in SARS-CoV-2 dominant circulating**
1141 **variants.**

1142 Alignment of the region of S gene containing FCS motif from SARS-CoV-2 dominant
1143 circulating variants in an order of emergency in time. The RXXR furin cleavage motif (682-
1144 685 in Wuhan-Hu-1) is marked in a black rectangle. The proximal residue at 681 which
1145 affects the cleavage efficiency and syncytia is indicated in arrowhead. The hallmark
1146 mutation at 681 in Delta and the new emerging Omicron subvariant BA.2.86 are marked
1147 in blue; other Omicron subvariants except BA.2.86 are marked in red. Sequences were
1148 acquired from NCBI with access number being: YP_009724390.1, QQH18533.1,
1149 WLL57934.1, UVN17823.1, UFT00449.1, UIG03312.1, USV68346.1, WMV91511.1,
1150 WKR02063.1, UPU09668.1, UWM38596.1, UYH63216.1, BES80299.1, BES80198.1,
1151 WGP26425.1, WLW39834.1 . Alignment was generated by ClustalOmega using full-
1152 length S protein sequence.

1153

1154 **Figure S2 Generation of replication-competent chimeric SARS-CoV-2 S bearing**
1155 **VSV virus and forward genetic selection of fitness-advantaged mutants.**

1156 **a** Stable cell line 293FT cells expressing VSVG and T7 polymerase were transfected with
1157 plasmids VSV-N, -P, -L, -G, and codon-optimized T7 polymerase and an infectious
1158 molecular cDNA of pVSV-eGFP-SARS-CoV-2-S to produce replication-competent VSV-
1159 eGFP-SARS-CoV-2-S (referred as rVSV-S), the rescued viral stock (P0) was then
1160 passaged 4 times in BHK21 cells stably expressing human ACE2 (BHK21-ACE2).

1161 **b** FCS mutations were identified by Sanger sequencing on passaged rVSV- S on the
1162 whole S gene. The region of FCS was shown to show double peaks at G2045 (R682 at
1163 amino acid level) in S gene in passages 3 to 5, but not in passage 2. Another mutation at
1164 G2054(R685 at amino level) was observed in P4 and P5.

1165 **c** Titer of plaque-purified rVSV-S wt and mutants. Four mutants with mutations in FCS
1166 were identified in a plaque-purified assay, titer was measured in BHK21-ACE2 cells, and
1167 all FCS mutants gained growth advantage in BHK21-ACE2 cells(n=3). Data show mean
1168 \pm s.d.

1169 **d** Competition assay between rVSV- S *wt* and R685S at total MOI of 0.01, showing
1170 infected cells by eGFP(R685S) and mCherry (*wt*) channels. The input ratio was for
1171 inoculation, and the output infection percentage was detected by flow cytometry at 7 h.p.i
1172 (n=3). Data show mean \pm s.d.

1173

1174 **Figure S3 FCS mutant R685S gains fitness advantage in Vero cell.**

1175 **a** Time-lapse image of rVSV-S *wt* and R685S infections in Vero cell, with 100 FFU/well in
1176 a 12-well plate in inoculation.

1177 **b** and **c** Replication dynamics of rVSV-S *wt* and R685S infections in Vero cells. Mean
1178 fluorescence intensity (MFI) of each infectious focus was measured(**b**). Data show mean
1179 \pm s.d. (**b**, n=4). Focus area was compared between rVSV-S *wt* and R685S at 24 h.p.i(left)
1180 and 28 h.p.i(right)(**c**), n= 152 and 96 for *wt* and R685S, respectively. Data show the
1181 geometric mean \pm 95% CI (**c**).

1182 **d** Infection of recombinant rSARS-CoV-2 *wt* (WA-1 strain) and R685S mutant, with
1183 expression of mCherry gene linked to nucleoprotein via a 2A linker, in Vero cells at 36
1184 h.p.i in a 12-well plate. Two representative images for each virus (rep1 and rep2) were
1185 shown. Cells were overlayed with 1.25% avicel after infection.

1186 **e** Mean fluorescence intensity of infection foci as shown in **d** (n=3). Data show mean \pm
1187 s.d.

1188 **f** Individual area of infection foci as shown in **d**, n= 48 and 82 for *wt* and R685S,
1189 respectively. Data show the geometric mean \pm 95% CI. Each dot represents one focus in
1190 **c** and **f**. For **c** and **f**, statistical analysis was performed using a two-sided, unpaired Mann-
1191 Whitney test. *P < 0.05, **P < 0.01, ***P < 0.001 and ****P < 0.0001; NS, not significant.
1192 The data show representative of two independent experiments.

1193

1194

1195 **Figure S4 Sensitivity of *wt* and R685S to IFN- β in Vero cells in VSV system.**

1196 **a** Representative images of rVSV-S *wt* and R685S infections under exogenous IFN- β
1197 treatment in Vero cells at 48 h.p.i, in 12-well plates. Cells were pretreated with IFN- β for
1198 18-20 h prior to infection, and corresponding IFN was maintained throughout the infection.
1199 **b** Fluorescence intensity of each infection with different MOI and various concentrations
1200 of IFN- β . Results are representative of two independent experiments.

1201

1202 **Figure S5 Sensitivity of *wt* and R685S to IFN- β in Vero cells in SARS-CoV-2 system.**

1203 **a** Representative images of rSARS-CoV-2 *wt* and R685S infections under exogenous
1204 IFN- β (0.1 ng/ml) treatment in Vero cells at MOI of 0.01. Cells were pretreated with IFN-
1205 β for 18-20 h prior to infection, and corresponding IFN was maintained throughout the
1206 infection. Scale bar, 500 μ m.

1207 **b** Infection focus area of rSARS-CoV-2 *wt* and R685S under IFN- β treatment at the
1208 concentration of 0.05 (up) and 0.1 (bottom) ng/ml. Data show mean \pm s.e.m. each dot
1209 represents one infection focus. Results are representative of three independent
1210 experiments. Statistical analysis was performed using a two-sided, unpaired Mann-
1211 Whitney test. ***P < 0.001 and ****P < 0.0001; ns, not significant.

1212

1213 **Figure S6 Syncytia but not cell-free spread confers virus resistance to IFN- β anti-
1214 viral activity.**

1215 **a** Effects of IFN- β on rVSV-S *wt* fusion ratio in Vero cells. Pretreated Vero cells by IFN- β
1216 were infected by rVSV-S, cells were overlaid without(left) or with(right) agar for 24 h with
1217 IFN- β in the medium. Infected cells were fixed and scanned by the high-content imaging
1218 system Cytacon 5. Fusion ratio (%) was calculated by dividing the infection area of
1219 syncytia by the total infected area. In Gen 5: the size of object was set to >60 μ m to
1220 calculate the area of syncytia, which is about 3-fold the size of a single Vero cell *in situ*
1221 (n=3). Data show mean \pm s.d.

1222 **b** Representative images of rVSV- S R685S infection in Vero cells under IFN- β , linked to
1223 images in Fig.2h for comparison. BF means bright field, and Merge was conducted
1224 between BF and DAPI to show syncytia formation.

1225 Data show mean \pm s.d. Statistical analysis was performed using a one-way ANOVA(**a**)
1226 with multiple comparisons. ***P < 0.001 and ****P < 0.0001; ns, not significant. Results
1227 are representative of two independent experiments.

1228

1229 **Figure S7 SARS-CoV-2 infection in human respiratory tract epithelial cells in air-**
1230 **liquid interface format.**

1231 **a** Cell types in syncytia formation, related to Fig. 3g. Infected small airway ALI were
1232 stained with anti-AcTub (green signal, marker for ciliated cell), anti-Cytk5 (yellow signal,
1233 marker for basal cell) and anti-Muc5A (cyan signal, marker for goblet cell) Abs and
1234 counterstained with DAPI (gray signal). Individual syncytia were shown from 3D
1235 reconstructed confocal images. Scale bar, 5 μ m.

1236 **b** Entire Nasal epithelial cell ALI infected by rSARS-CoV-2 *wt* (left) and R685S
1237 mutant(right), related to Fig. 3h.

1238

1239 **Figure S8 Proinflammation cytokine profile in lung tissue of K18-hACE2 mice**
1240 **infected by rSARS-CoV-2 *wt* and R685S mutant.**

1241 **a** Schematic workflow of rSARS-CoV-2 infection in K18 mice treated with murine IFN- λ 2.
1242 I.N, Intranasal.

1243 **b** Proinflammation cytokine expression level in lung tissues of infected K18 mice with or
1244 without IFN- λ 2 treatment. Data show the combination of two independent experiments.
1245 Data show mean \pm s.d (n=11). Statistical analysis was performed using two-way ANOVA
1246 (**b**). *P < 0.05, **P < 0.01, ***P < 0.001 and ****P < 0.0001; ns, not significant.

1247

1248 **Figure S9 Monoclonal antibody neutralization profile against *wt* and R685S mutant**
1249 **infection.**

1250 A two-timepoints assay was performed to assess the contribution of syncytia spread of
1251 virus to the neutralization effect.

1252 **a** and **b** Neutralization profile of 6 potent mAbs targeting RBD of S against rVSV-S *wt* and
1253 R685S infection in Vero-ACE2 cells. Representative images of rVSV-S *wt* and R685S
1254 infection at 20 h.p.i were shown (**a**, top left panel). Raw neutralization data were
1255 performed in nonlinear regression analysis (**a**, top right and bottom panel). 50%
1256 neutralization dose (ND₅₀) of each antibody was determined and shown (**b**).

1257 **c** and **d** Neutralization profile of 6 potent mAbs against rSARS2 *wt* and R685S infection
1258 in ACE2plusC3 cells. Representative images of rSARS-CoV-2 *wt* and R685S infection at
1259 20 h.p.i were shown (**c**, top left panel). The neutralization curve was fitted with nonlinear
1260 regression analysis, and the ND₅₀ of each antibody was determined(**d**).

1261 Data show mean \pm s.d (n=3). Statistical analysis was performed using a two-sided
1262 Wilcoxon matched pair signed rank test. *P < 0.05; ns, not significant.

1263

1264 **Figure S10 Syncytia mediated by S variants.**

1265 **a** Syncytia formation in Vero cells mediated by S-expressing plasmids, containing *wt*,
1266 P681R, P681H, Delta or Omicron (BA.1) S. Representative images at 20 h.p.i (left) and
1267 GFP positive area normalized to *wt* (right) was shown. Data show mean \pm s.d (n=3). Scale
1268 bar, 100 μ m.

1269 **b** fusion index calculation workflow, fusion index was defined as described in the Method
1270 section. Scale bar, 100 μ m.

1271 **c** Syncytia formation in ACE2plusC3 cells mediated by rSARS-CoV-2 virus infection,
1272 containing *wt*, R685S, P681R, Delta or Omicron (BA.1) S. Representative images at 20
1273 h.p.i were shown. Scale bar, 100 μ m. Statistical analysis was performed using one-way
1274 ANOVA. *P < 0.05, **P < 0.01, ***P < 0.001 and ****P < 0.0001; ns, not significant.

1275

1276 **Figure S11 Proportion of dominant SARS-CoV-2 variants over time.**

1277 Daily global reported infection case and vaccination datasets were downloaded from Our
1278 World in Data (<https://ourworldindata.org/covid-vaccinations>) as of July 2023. The dataset
1279 was plotted by Python program. The white line shows daily new confirmed COVID-19
1280 cases in 7-day rolling average.

1281

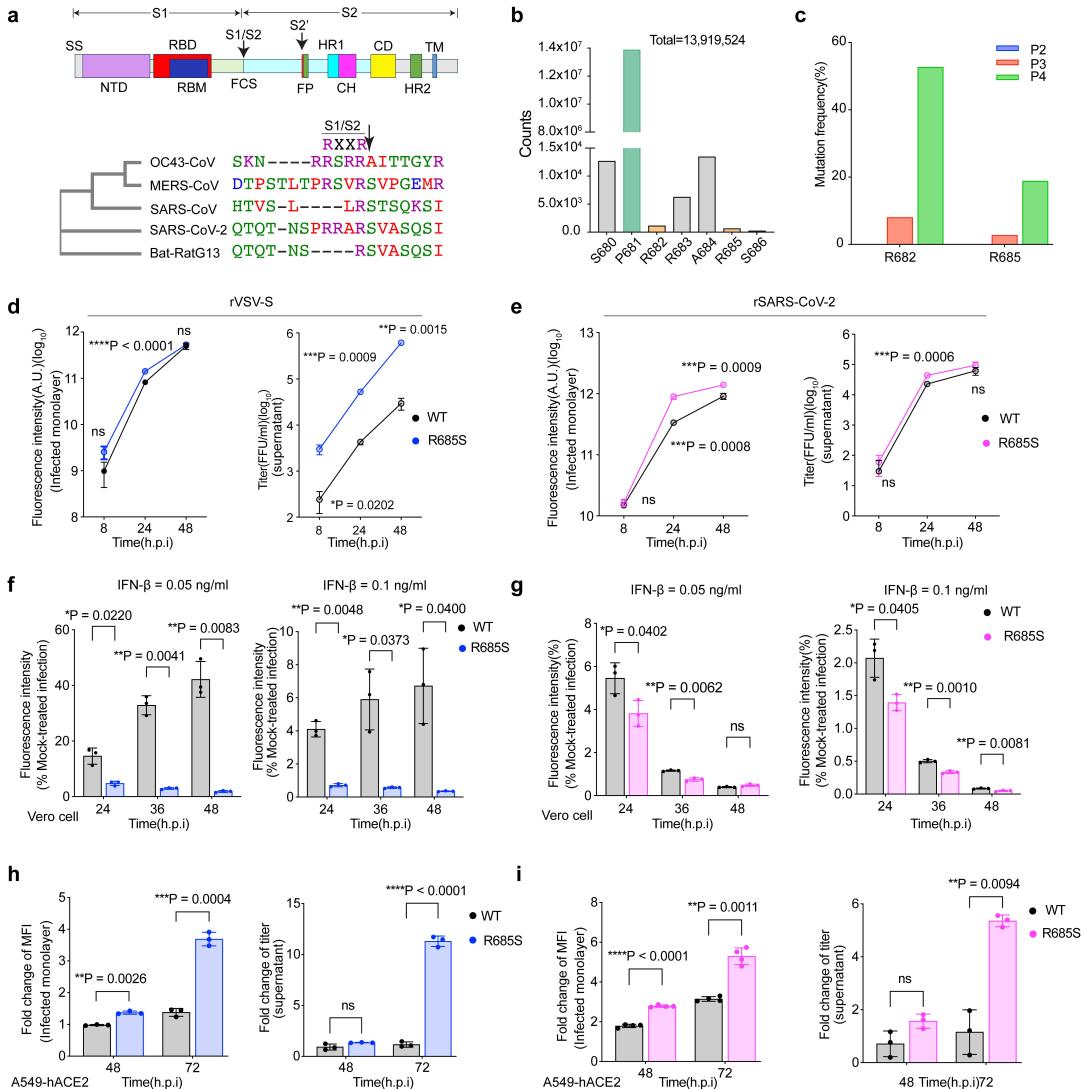


Figure.1

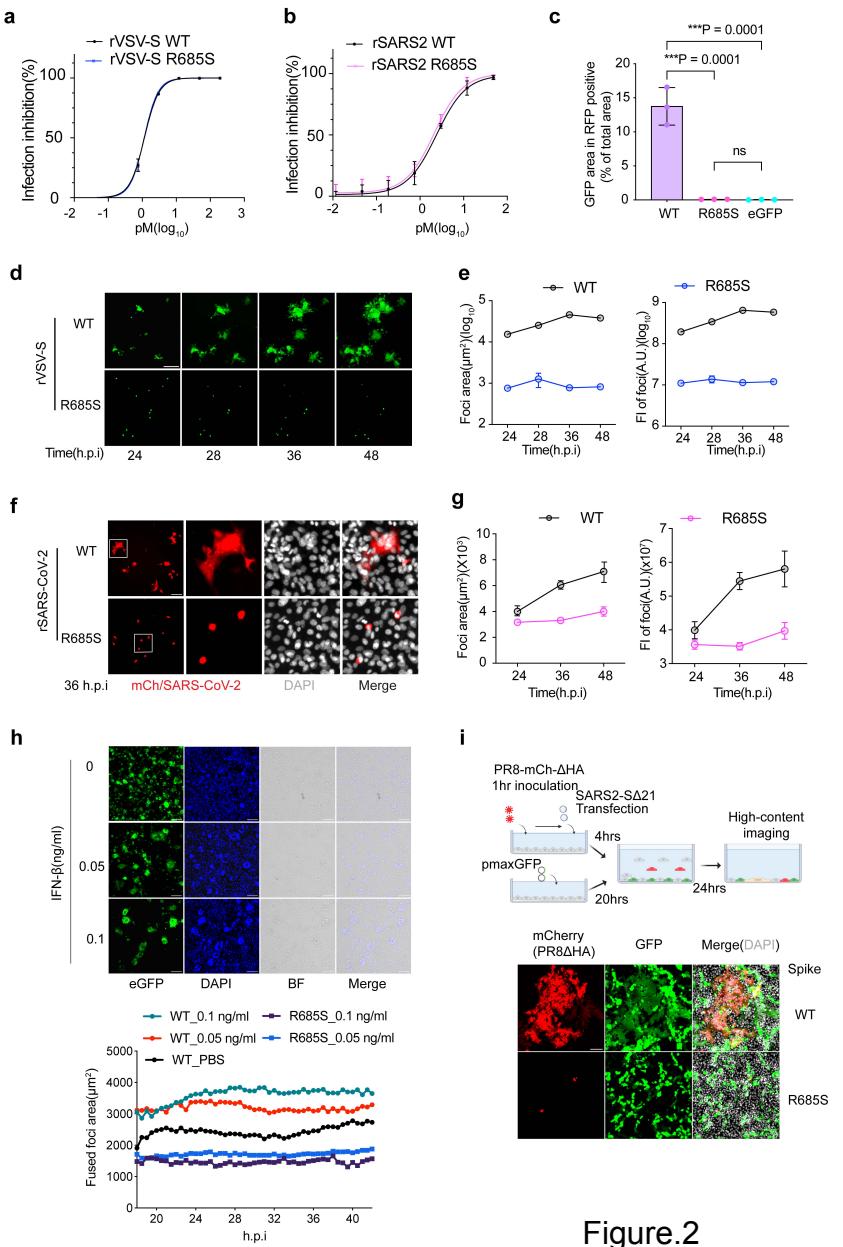


Figure.2

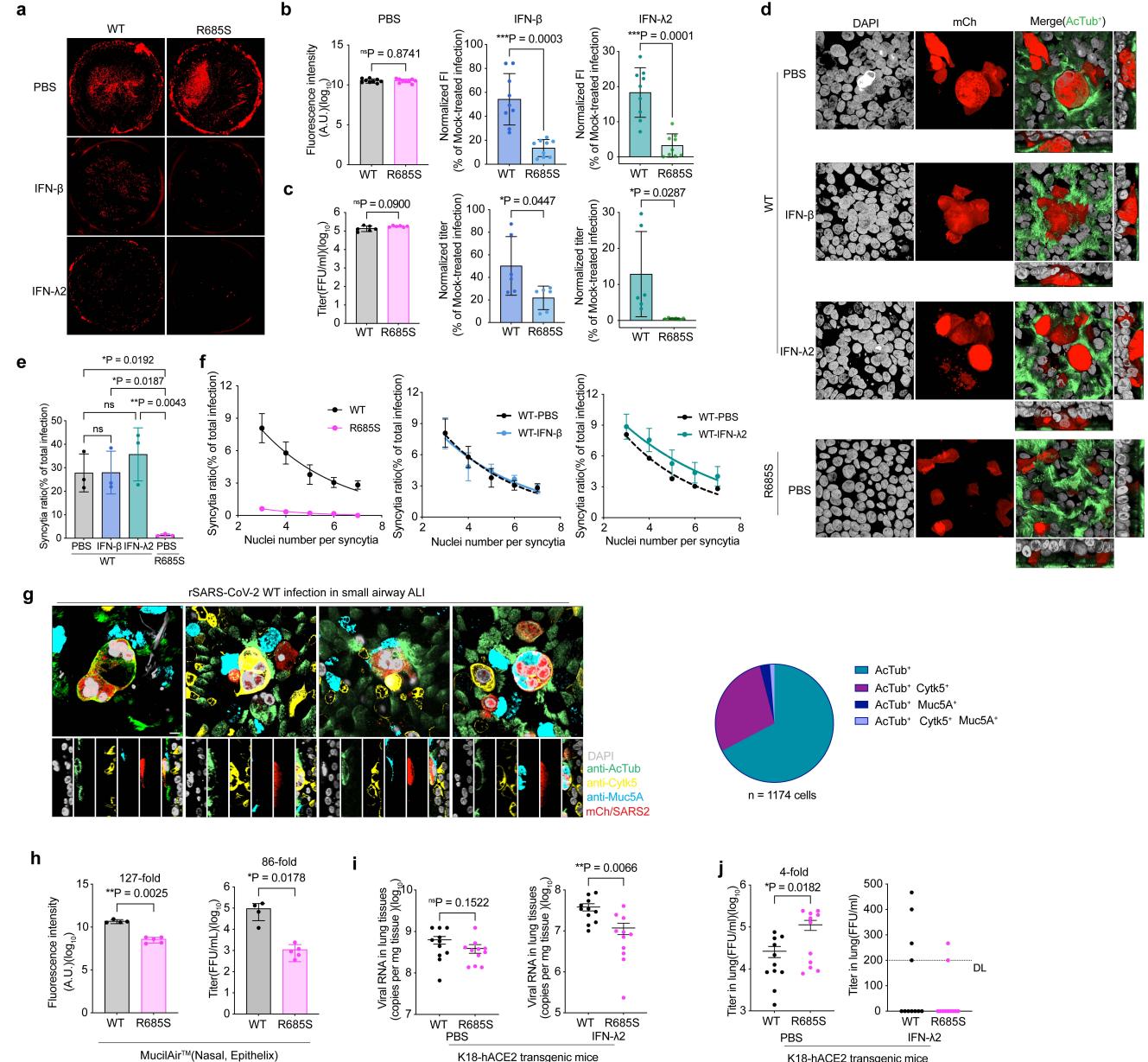


Figure.3

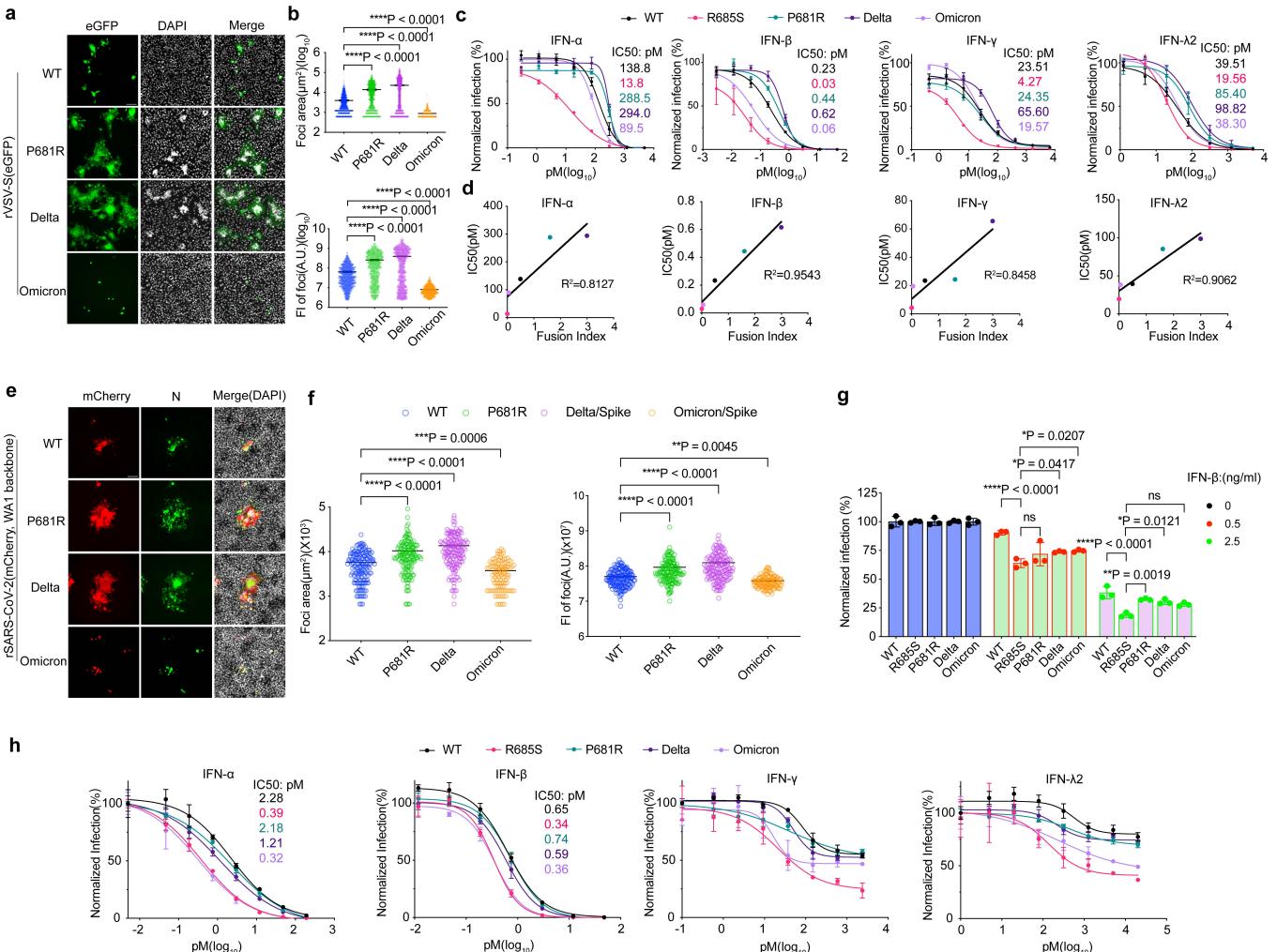


Figure.4

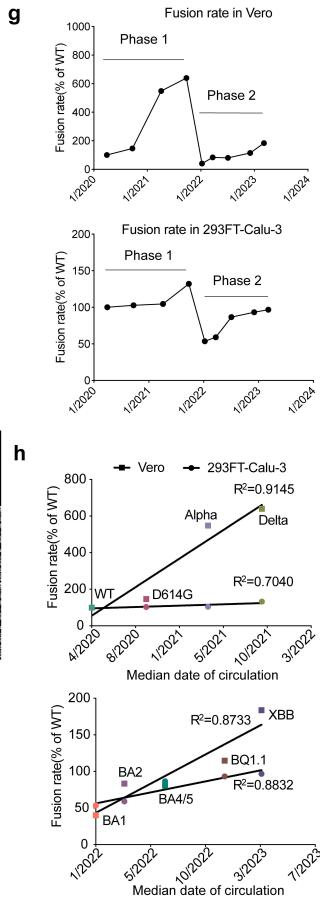
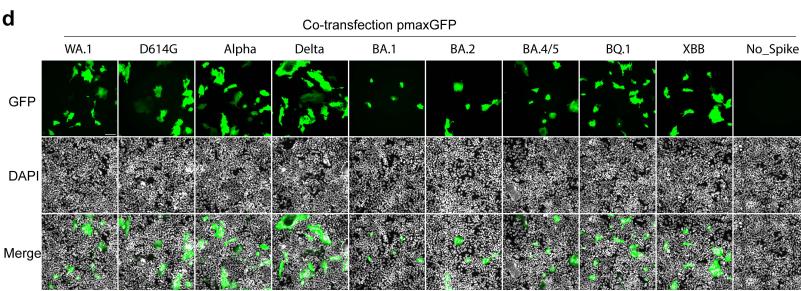
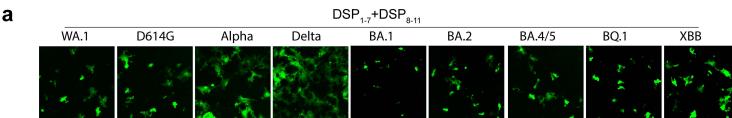


Figure.5

681
FCS

↓ Variants in circulation ↓

B(Wuhan-Hu-1)	NSYEC D PI G AGIC A SYQTQTNS P RRAF SVASQS I IA Y TM S LG A EN S VAYSNNS IA IP TN
B.1.1.7(Alpha)	NSYEC D PI G AGIC A SYQTQTNS H RRAF SVASQS I IA Y TM S LG A EN S VAYSNNS IA IP IN
B.1.351(Beta)	NSYEC D PI G AGIC A SYQTQTNS P RRAF SVASQS I IA Y TM S LG V EN S VAYSNNS IA IP TN
B.1.617.2(Delta)	NSYEC D PI G AGIC A SYQTQTNS R RRAF SVASQS I IA Y TM S LG A EN S VAYSNNS IA IP TN
BA.1(Omicron)	NSYEC D PI G AGIC A SYQTQT K H RRAF SVASQS I IA Y TM S LG A EN S VAYSNNS IA IP TN
BA.2(Omicron)	NSYEC D PI G AGIC A SYQTQT K H RRAF SVASQS I IA Y TM S LG A EN S VAYSNNS IA IP TN
BA.2.75(Omicron)	NSYEC D PI G AGIC A SYQTQT K H RRAF SVASQS I IA Y TM S LG A EN S VAYSNNS IA IP TN
BA.2.12.1(Omicron)	NSYEC D PI G AGIC A SYQTQT K H RRAF SVASQS I IA Y TM S LG A EN L VAYSNNS IA IP TN
BA.4(Omicron)	NSYEC D PI G AGIC A SYQTQT K H RRAF SVASQS I IA Y TM S LG A EN S VAYSNNS IA IP TN
BA.5(Omicron)	NSYEC D PI G AGIC A SYQTQT K H RRAF SVASQS I IA Y TM S LG A EN S VAYSNNS IA IP TN
BQ.1.1(Omicron)	NSYEC D PI G AGIC A SYQTQT K H RRAF SVASQS I IA Y TM S LG A EN S VAYSNNS IA IP TN
CH.1.1(Omicron)	NSYEC D PI G AGIC A SYQTQT K H RRAF SVASQS I IA Y TM S LG A EN S VAYSNNS IA IP TN
XBB.1.5(Omicron)	NSYEC D PI G AGIC A SYQTQT K H RRAF SVASQS I IA Y TM S LG A EN S VAYSNNS IA IP TN
XBB.1.16(Omicron)	NSYEC D PI G AGIC A SYQTQT K H RRAF SVASQS I IA Y TM S LG A EN S VAYSNNS IA IP TN
EG.5.1(Omicron)	NSYEC D PI G AGIC A SYQTQT K H RRAF SVASQS I IA Y TM S LG A EN S VAYSNNS IA IP TN
BA.2.86(Omicron)	NSYEC D PI G AGVC A SYQTQT K S RRRAF SVASQS I IA Y TM S LG A EN S VAYSNNS IA IP TN

Figure.S1

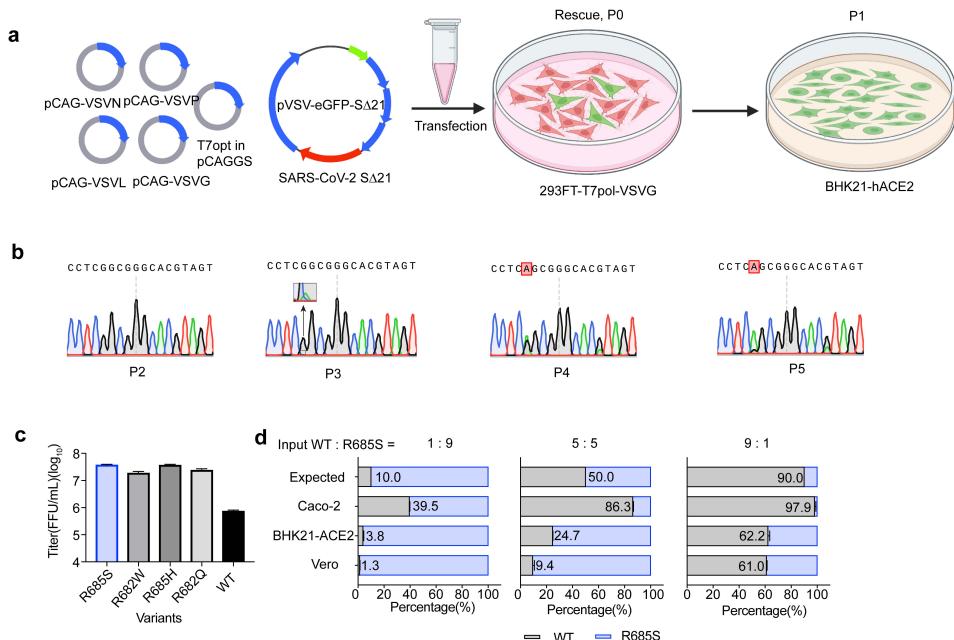


Figure.S2

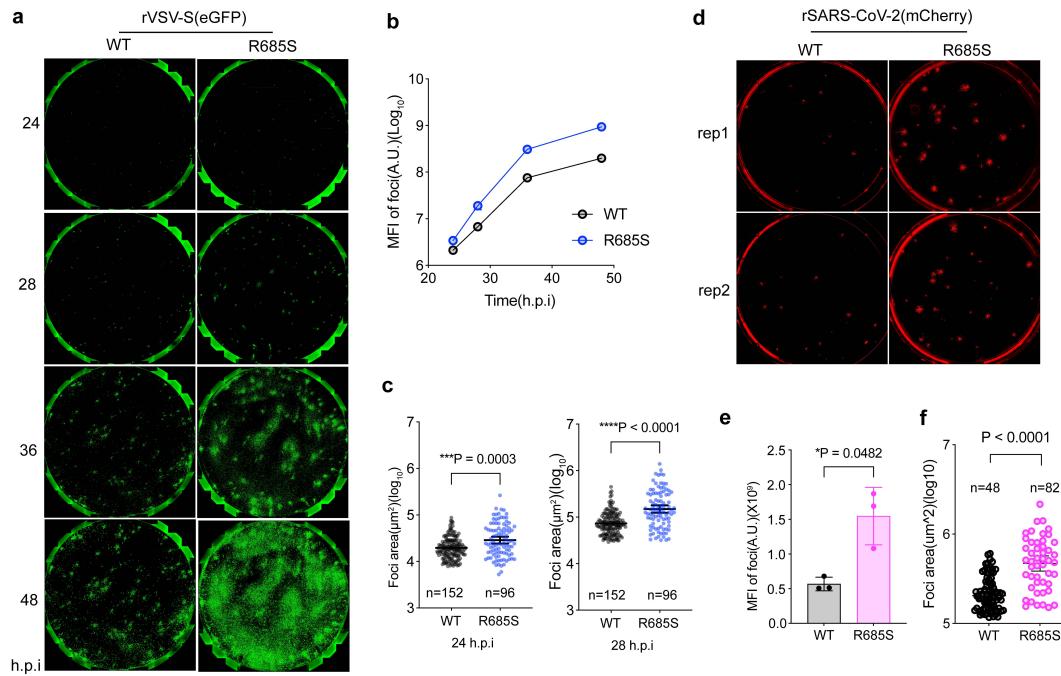
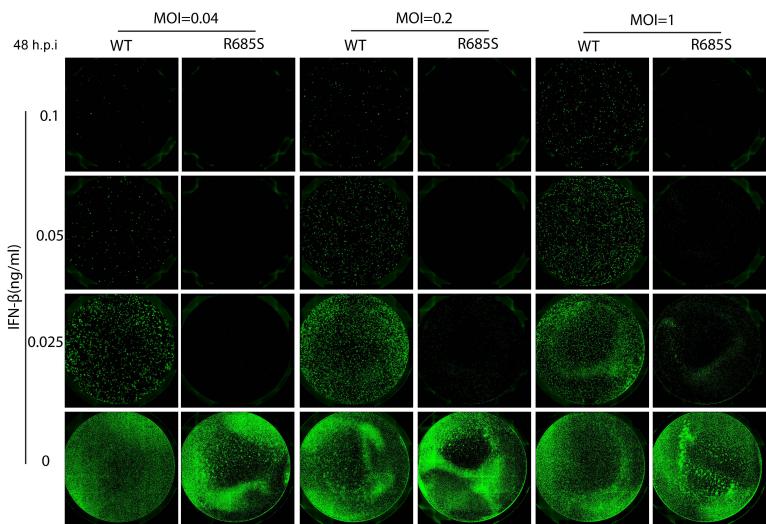
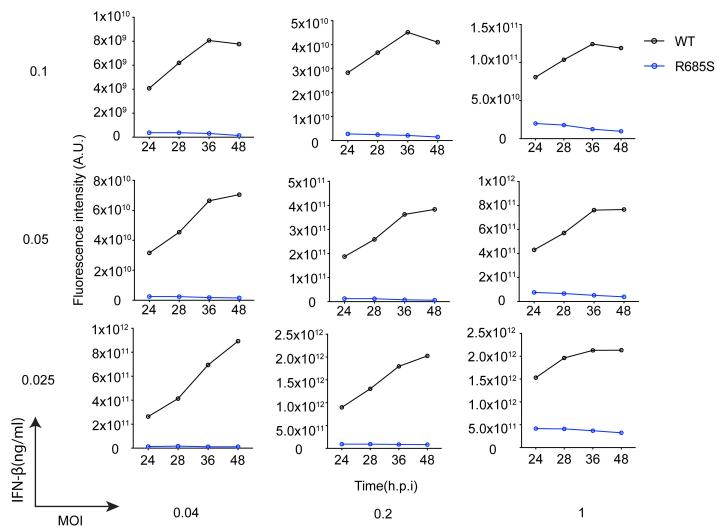


Figure.S3

a**b****Figure.S4**

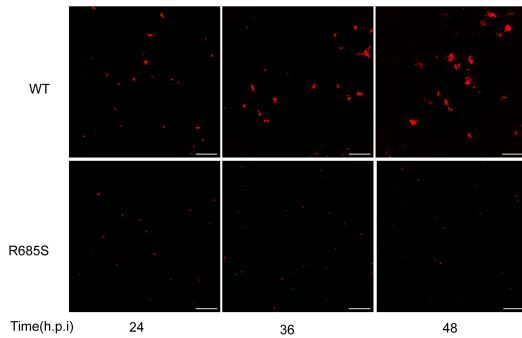
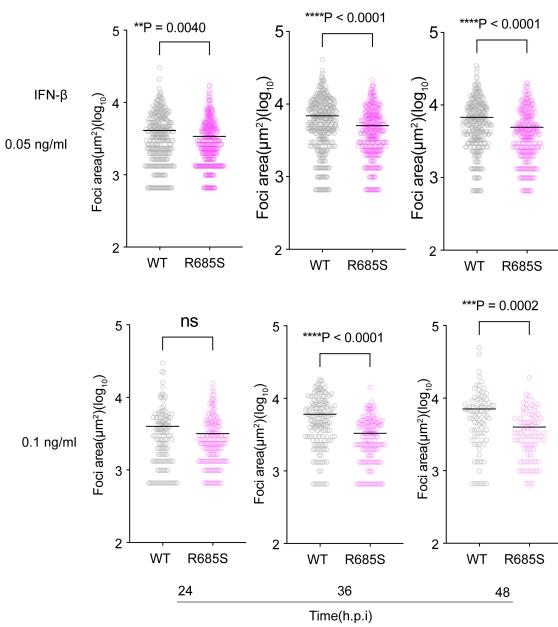
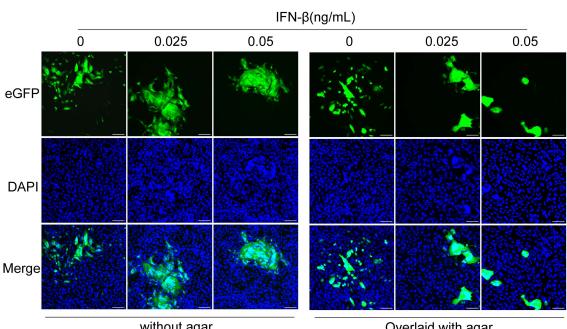
a**b**

Figure.S5

a

without agar

eGFP

DAPI

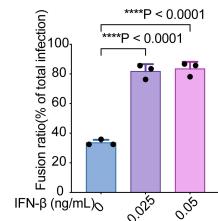
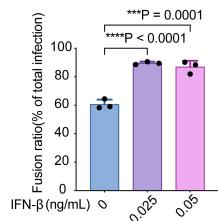
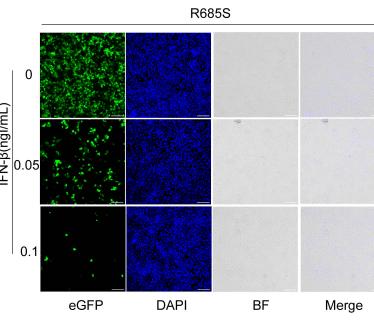
Merge

Overlay with agar

eGFP

DAPI

Merge

**b**

eGFP

DAPI

BF

Merge

eGFP

DAPI

BF

Merge

Figure.S6

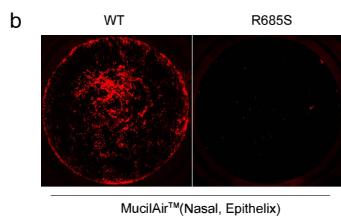
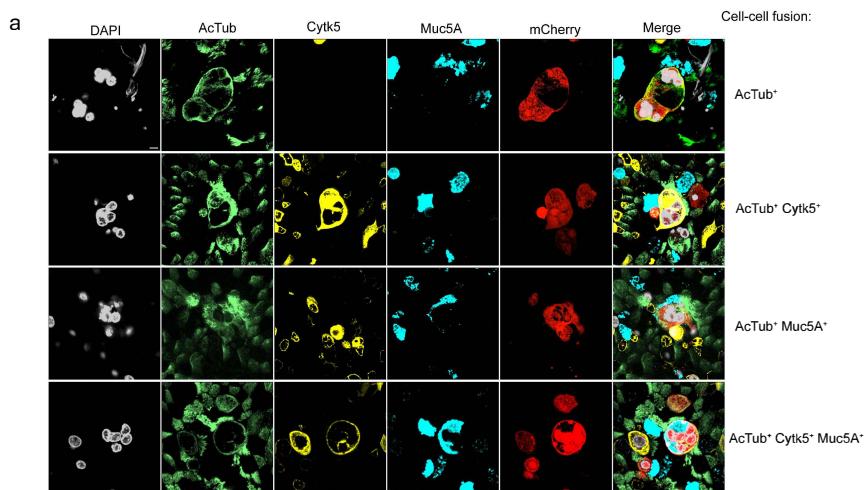


Figure.S7

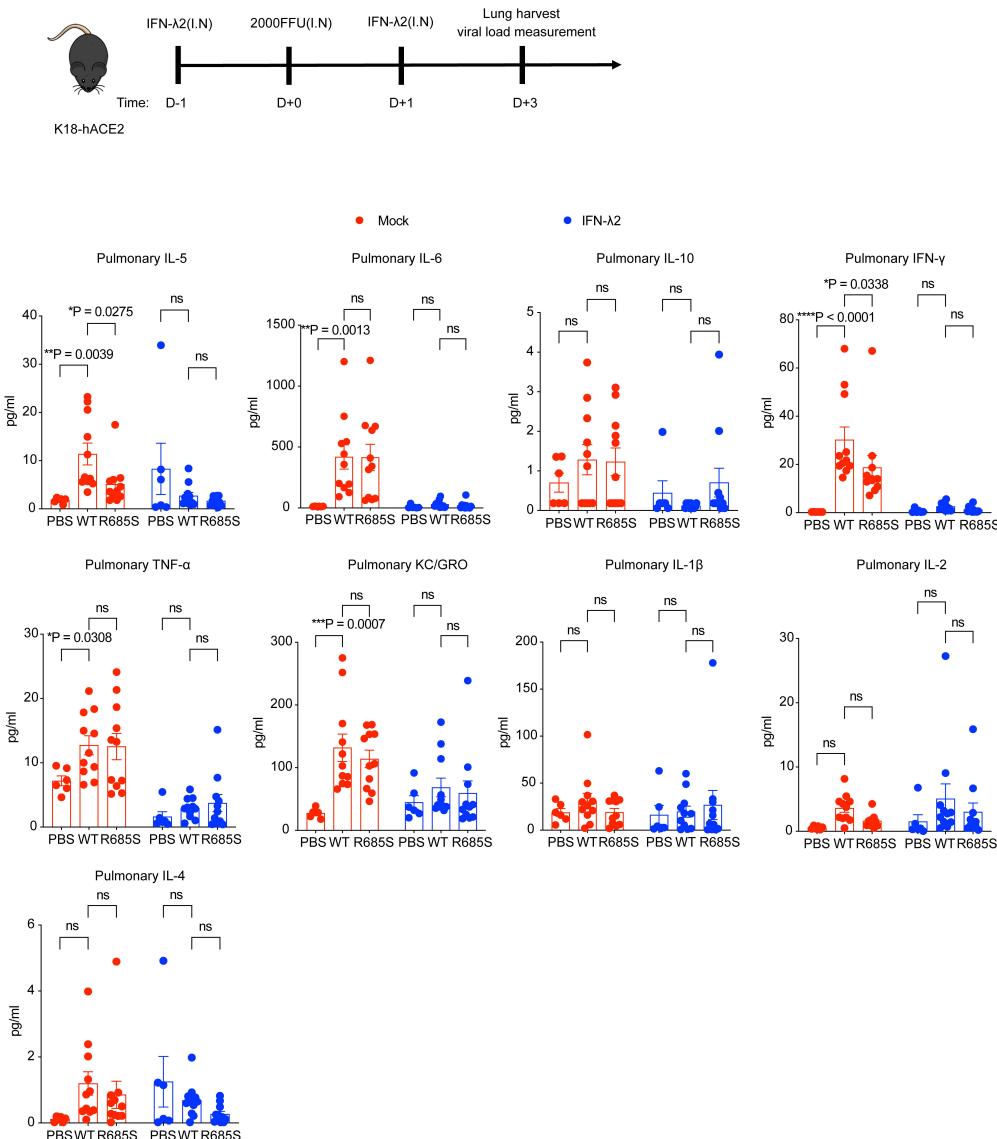
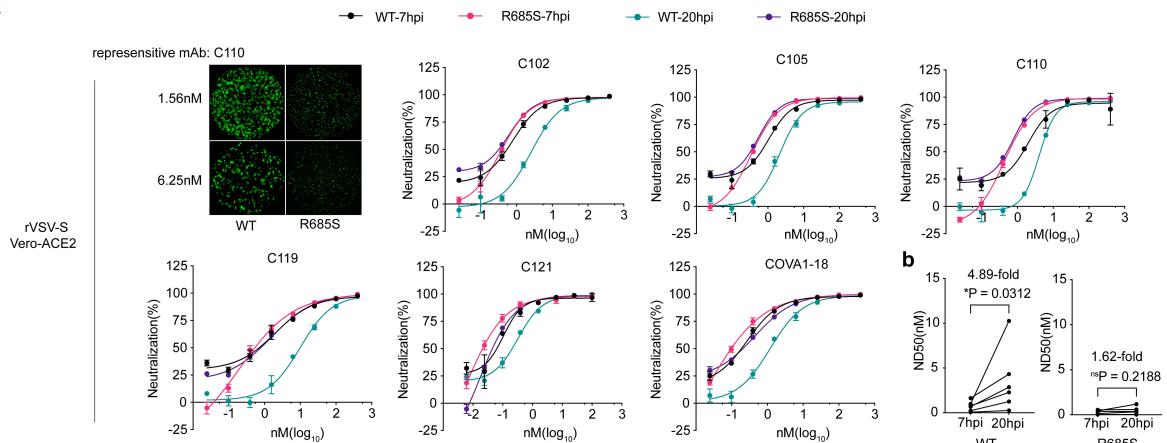
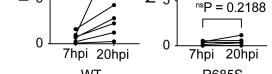
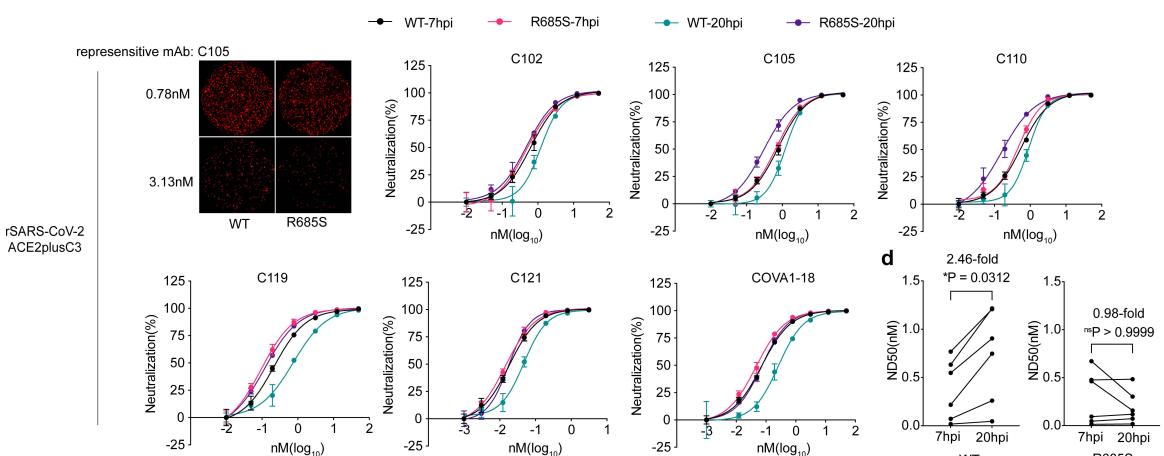
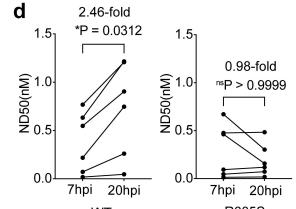


Figure.S8

a**b****c****d****Figure.S9**

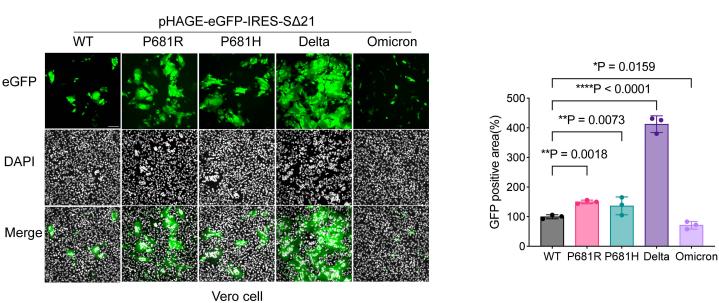
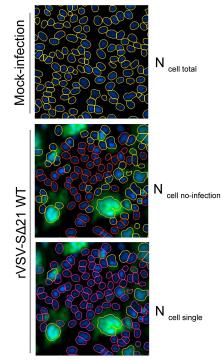
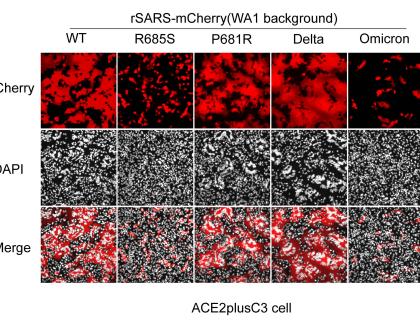
a**b****c**

Figure.S10

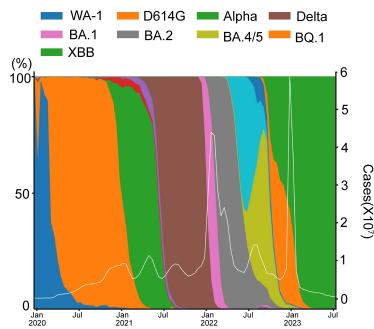


Figure.S11