# From Blockchains to Nash



Pavel Hubáček



Chethan Kamath



Krzysztof Pietrzak



Alon Rosen



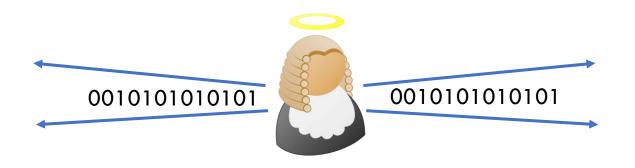
Guy Rothblum

Arka Rai Choudhuri

# Part 1: Blockchains

Verifiable Delay Function(s)

## Verifiable Lottery via Randomness Beacon



#### Randomness Beacon [Rabin'83]

Ideal service that periodically publishes random values that cannot be predicted or manipulated.

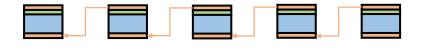






















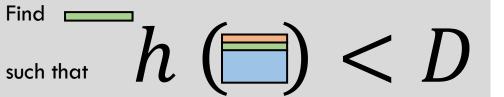




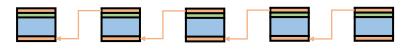








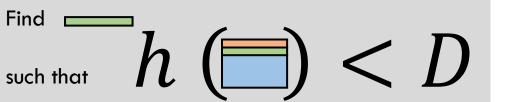










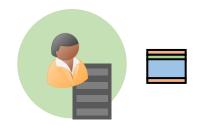


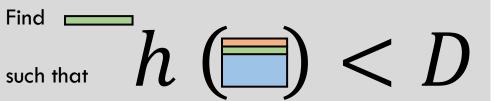
















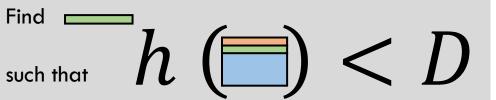


- Blocks produced periodically.
- Solution has some amount of unpredictability.













- 1) Blocks produced periodically.
- 2) Solution has some amount of unpredictability.













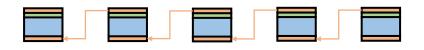
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- 1) Blocks produced periodically.
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Lottery ticket



Consider proof of work (PoW) blockchains.



- Blocks produced periodically.
- 2) Solution has some amount of unpredictability.









Lottery ticket



Consider proof of work (PoW) blockchains.



- Blocks produced periodically.
- 2) Solution has some amount of unpredictability.







Extractor( $\boxed{}$ )  $\stackrel{?}{=}$  12345



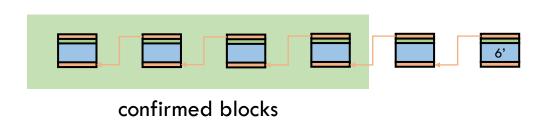
Lottery ticket











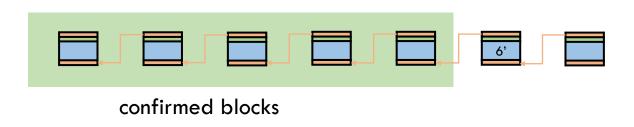












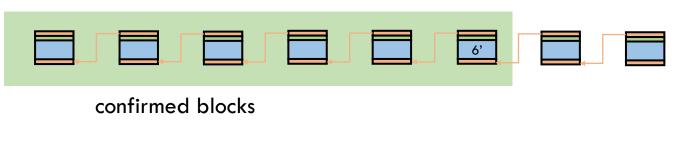








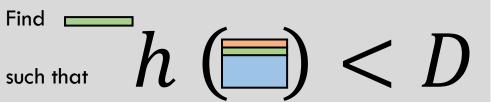






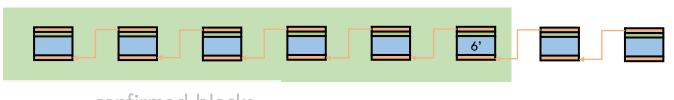








Consider proof of work (PoW) blockchains.



confirmed blocks



Can we force Extract to take a long time to compute?









$$f(x) = x^{2^T} \bmod N$$

 $N=p \cdot q$  for primes p and q

$$x, T, N$$
  $\xrightarrow{x \to x^2 \to x^4 \to x^8 \dots \to x^{2^T}} \pmod{N}$ 

#### RSW Assumption [Rivest-Shamir-Wagner'96]

 $=p \cdot q$  for primes p and q

Input: 
$$N = \mathbf{p} \cdot \mathbf{q}$$
,  $x \in \mathbb{Z}_N^*$ ,  $T$ 

Goal: Find  $x^{2^T} \mod N$ 

$$\underbrace{x \longrightarrow x^2 \longrightarrow x^4 \longrightarrow x^8 \cdots \longrightarrow x^{2^T}}_{T \text{ squarings}} \pmod{N}$$

Any algorithm that computes  $x^{2^T} \mod N$  requires sequential time not much less than T.

$$f(x) = x^{2^T} \bmod N$$

 $N=p \cdot q$  for primes p and q

$$x, T, N$$
  $\xrightarrow{x \to x^2 \to x^4 \to x^8 \cdots \to x^{2^T}} \pmod{N}$ 

$$\chi, T, N, p, q \longrightarrow \phi(N) = (p-1)(q-1) \qquad \underbrace{z = 2^T \pmod{\phi(N)}, \ x^z \pmod{N}}_{\text{2 exponentiations}}$$

$$f(x) = x^{2^T} \bmod N$$

 $N=p \cdot q$  for primes p and q

$$\underbrace{x, T, N} \xrightarrow{x \to x^2 \to x^4 \to x^8 \cdots \to x^{2^T}} \pmod{N}$$

$$\xrightarrow{T \text{ squarings}} \pmod{N}$$

$$\chi, T, N, p, q \longrightarrow \phi(N) = (p-1)(q-1) \qquad \underbrace{z = 2^T \pmod{\phi(N)}, \ x^z \pmod{N}}_{2 \text{ exponentiations}}$$

Efficient public verification?

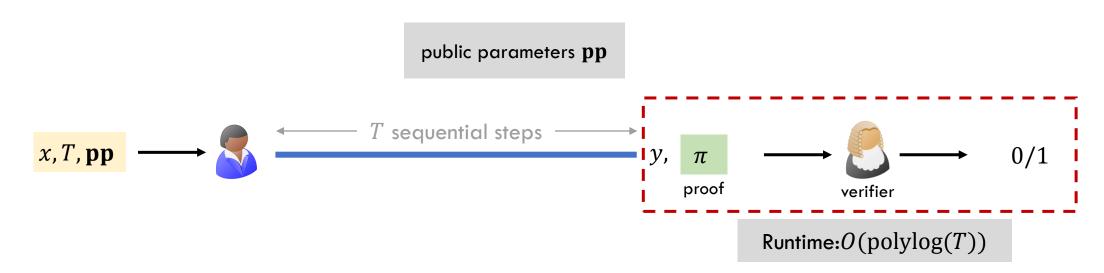
## Verifiable Delay Functions [Boneh-Bonneau-Bünz-

Fisch'18]

public parameters pp x, T, pp T sequential steps  $y, \pi$ proof

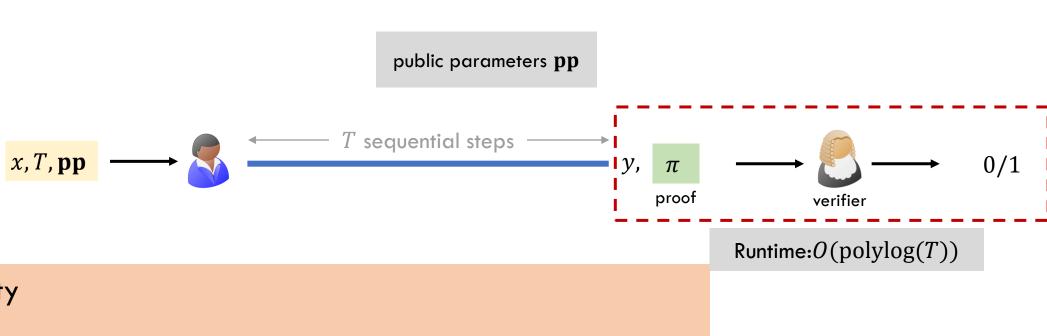
## Verifiable Delay Functions [Boneh-Bonneau-Bünz-

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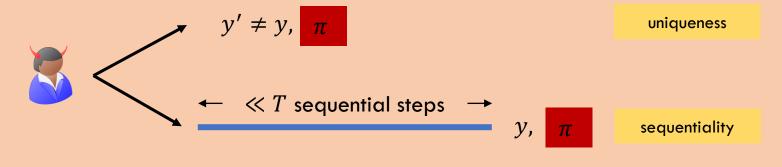


## Verifiable Delay Functions [Boneh-Bonneau-Bünz-

Fisch'18]











- 1) Blocks produced periodically.
- 2) Solution has some amount of unpredictability.













- Blocks produced periodically.
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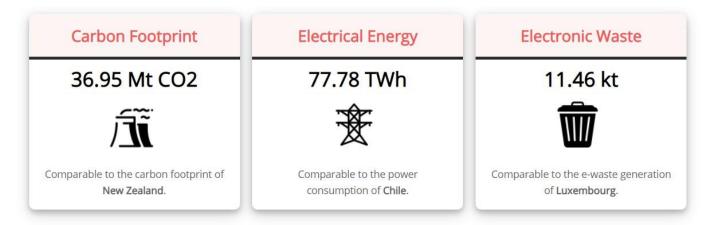




# VDF Application: Resource Efficient Blockchains

#### **Annualized Total Footprints**



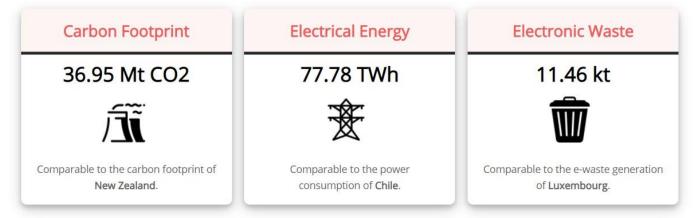


https://digiconomist.net/bitcoin-energy-consumption

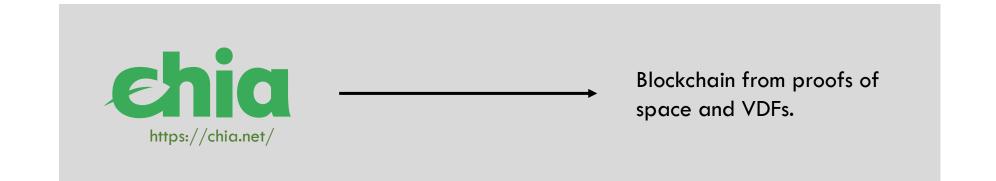
# VDF Application: Resource Efficient Blockchains

#### **Annualized Total Footprints**





https://digiconomist.net/bitcoin-energy-consumption



[Wesolowski'19,Pietrzak'19]

public parameters N

$$x, T, N \longrightarrow y = x^{2^T} \bmod N$$

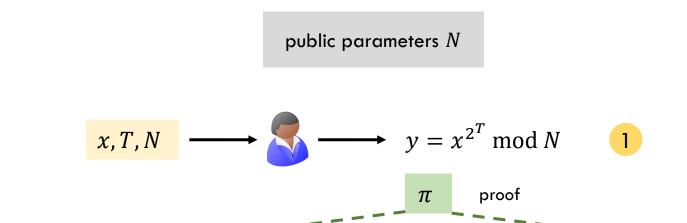
[Wesolowski'19,Pietrzak'19]

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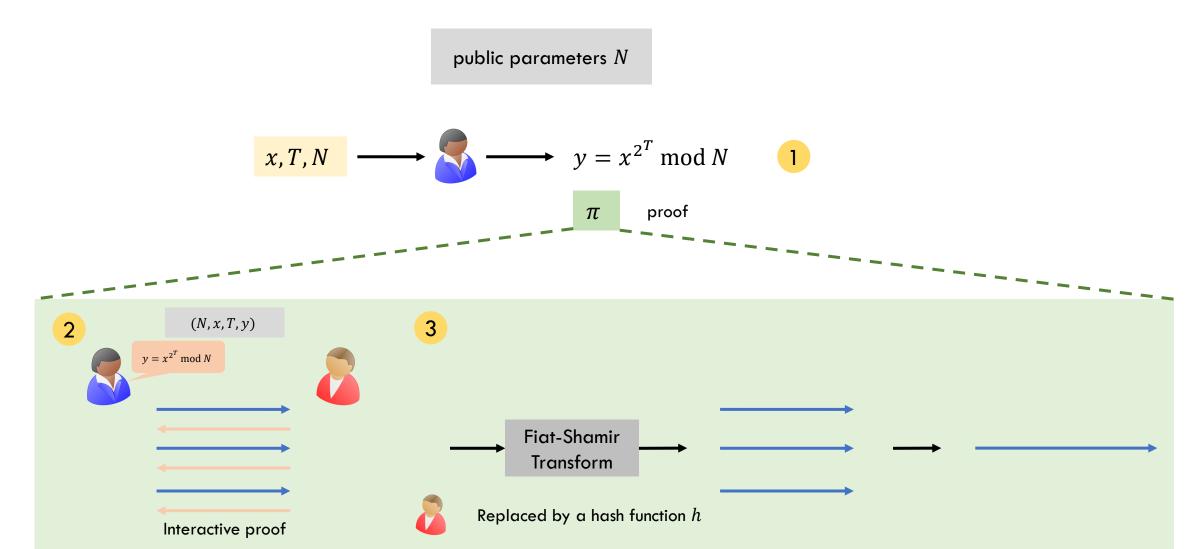
proof

[Wesolowski'19,Pietrzak'19]

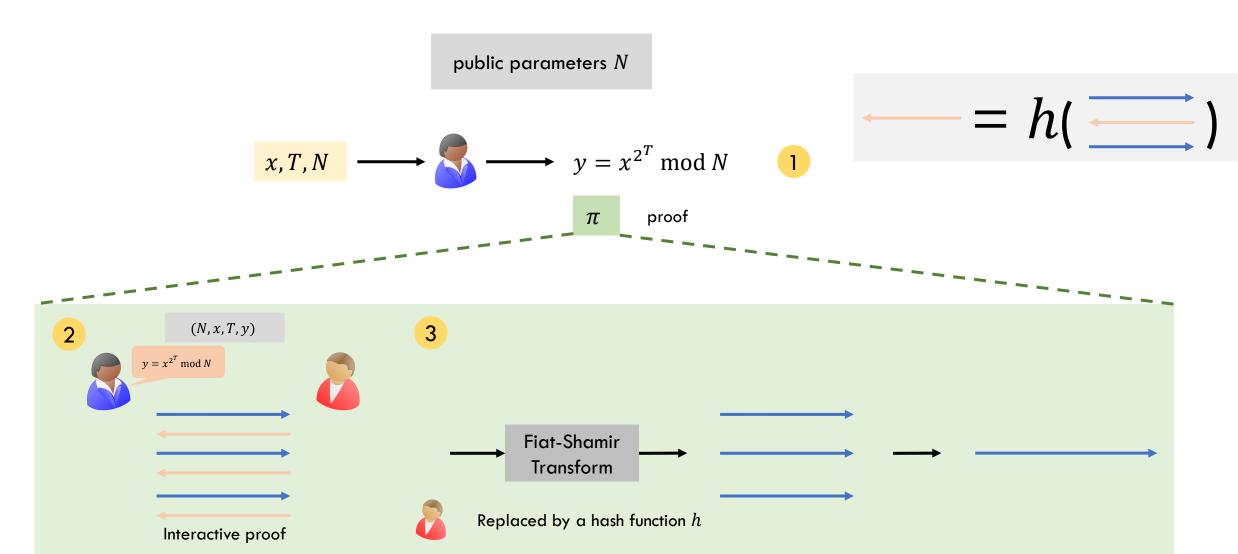




[Wesolowski'19,Pietrzak'19]

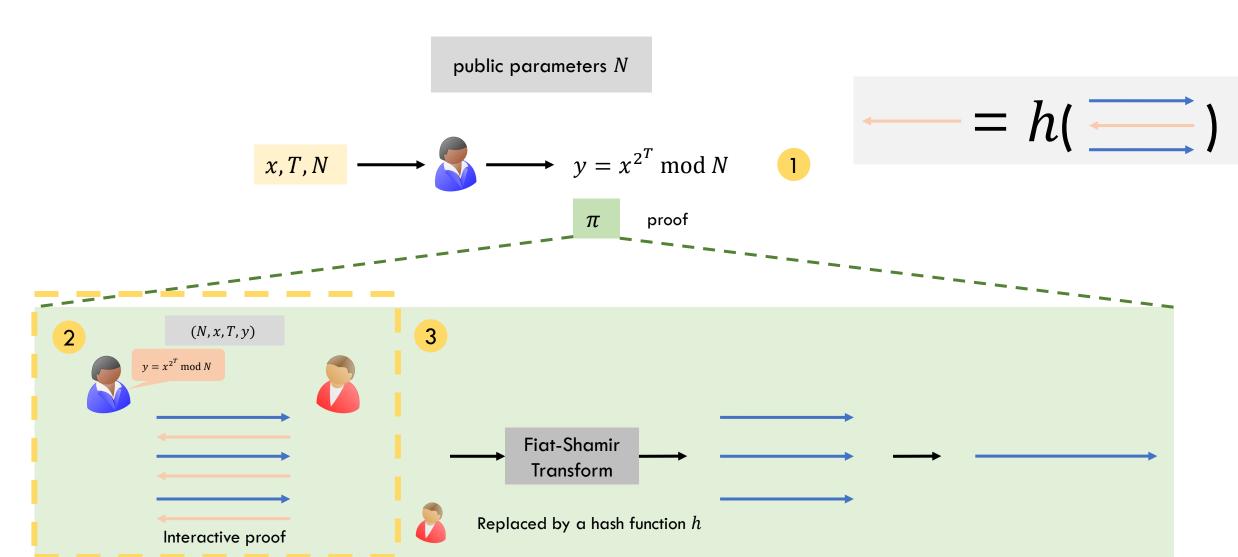


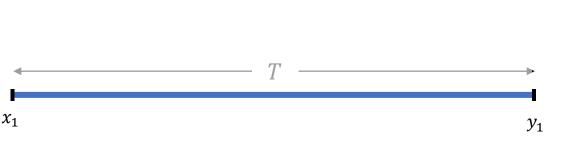
[Wesolowski'19,Pietrzak'19]



### VDF from Repeated Squaring

[Wesolowski'19,Pietrzak'19]

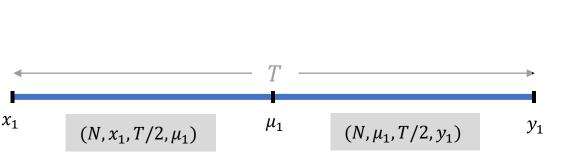






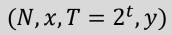
 $(N, x, T = 2^t, y)$ 





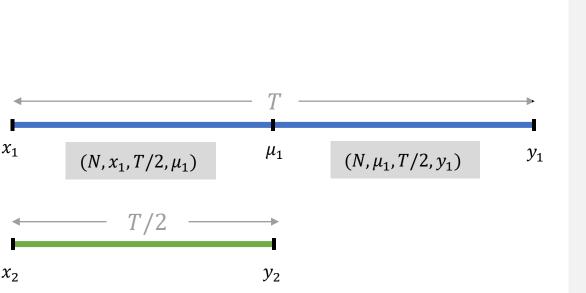


$$\mu_1 = x_1^{2^{\frac{T}{2}}}$$





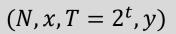
 $\mu_1$ 

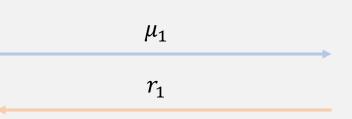




$$\mu_1 = x_1^{2^{\frac{T}{2}}}$$

$$x_2 = x_1^{r_1} \cdot \mu_1 y_2 = \mu_1^{r_1} \cdot y_1$$



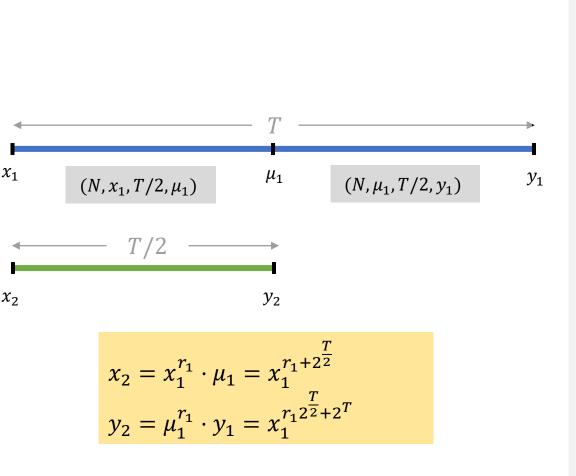




$$x_2 = x_1^{r_1} \cdot \mu_1$$

 $r_1 \leftarrow \mathbb{Z}_{2^{\lambda}}$ 

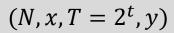
$$y_2 = \mu_1^{r_1} \cdot y_1$$

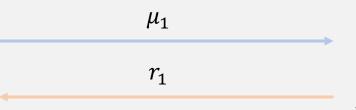




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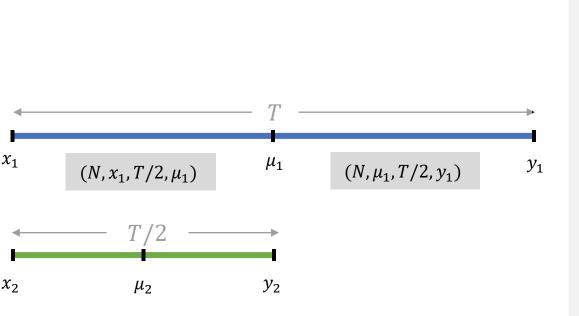




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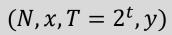
$$y_2 = \mu_1^{r_1} \cdot y_1$$



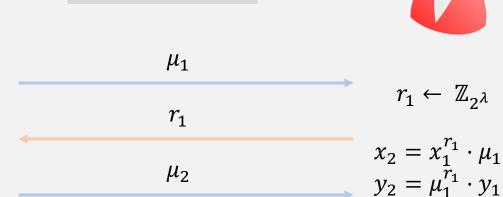


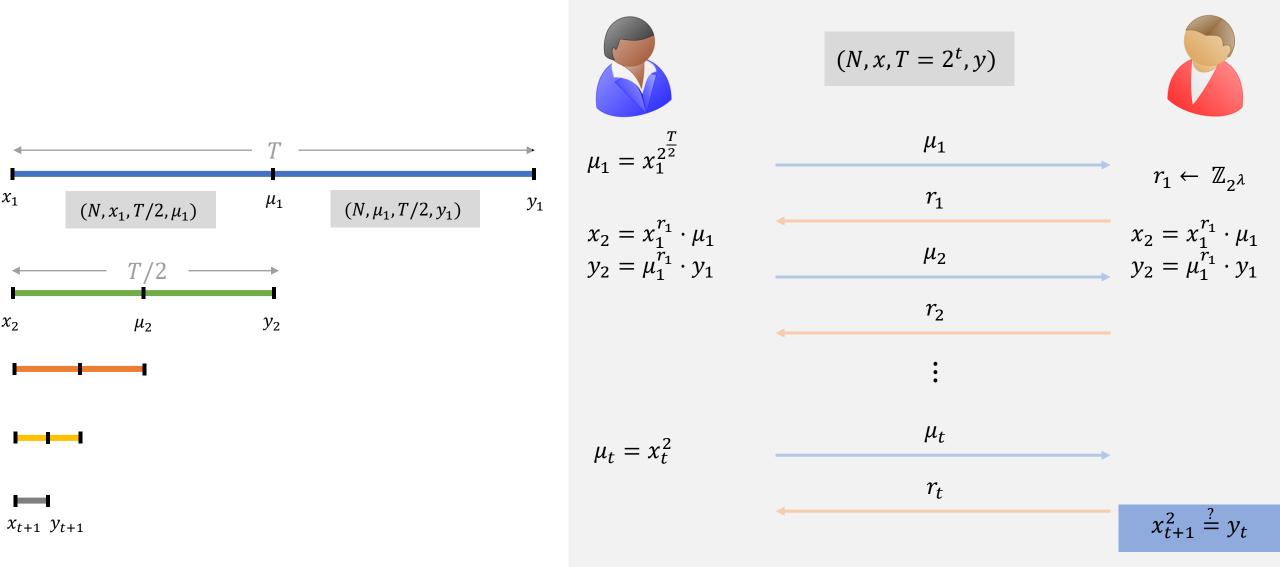
$$\mu_1 = x_1^{2^{\frac{T}{2}}}$$

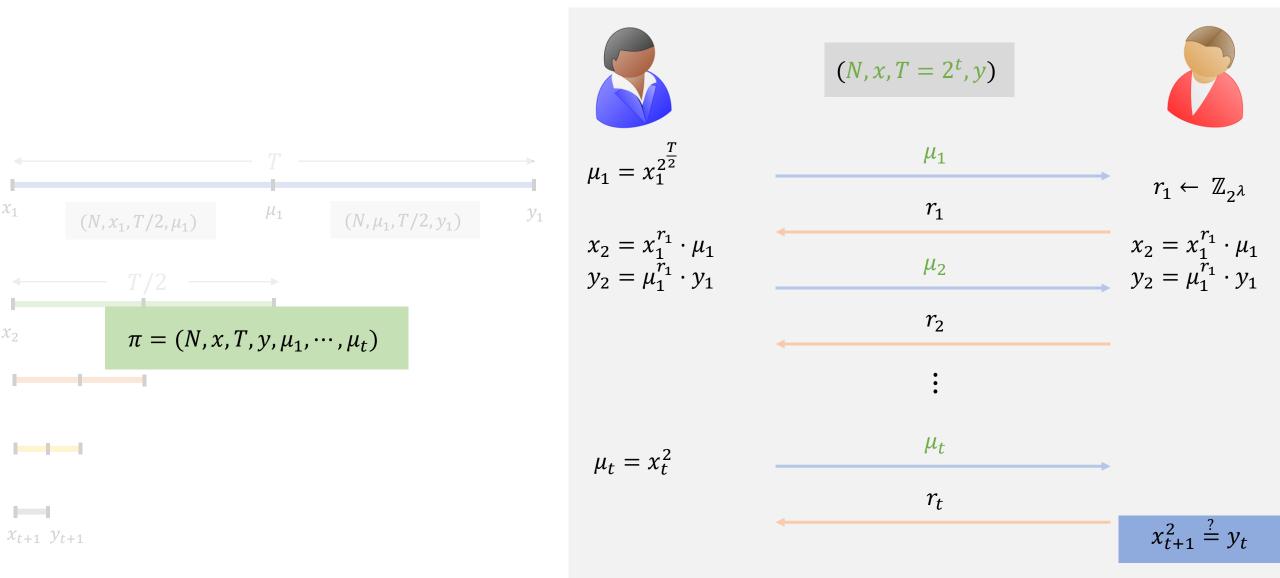
$$x_2 = x_1^{r_1} \cdot \mu_1 y_2 = \mu_1^{r_1} \cdot y_1$$



 $r_2$ 







#### Costs of the Pietrzak VDF

Time to compute y + proof

O(T)

Size of the proof

$$\pi = (N, x, T, y, \mu_1, \cdots, \mu_t)$$

 $O(\operatorname{polylog}(T))$ 

Time to verify Proof

 $O(\log(T))$  exponentiations -  $O(\operatorname{polylog}(T))$ 

[Ephraim-Freitag-Komargodski-Pass'20]



[Ephraim-Freitag-Komargodski-Pass'20]

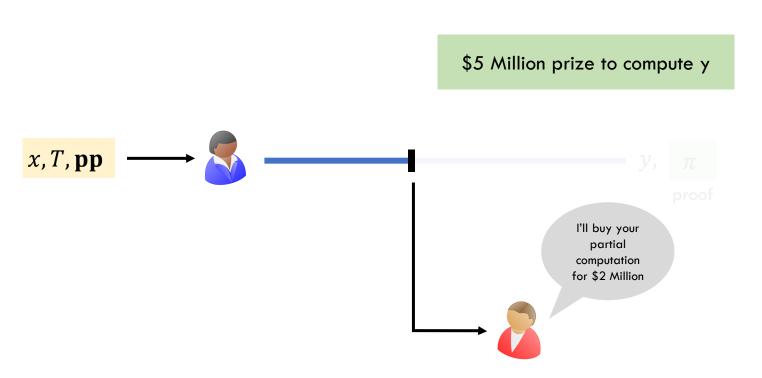
\$5 Million prize to compute y



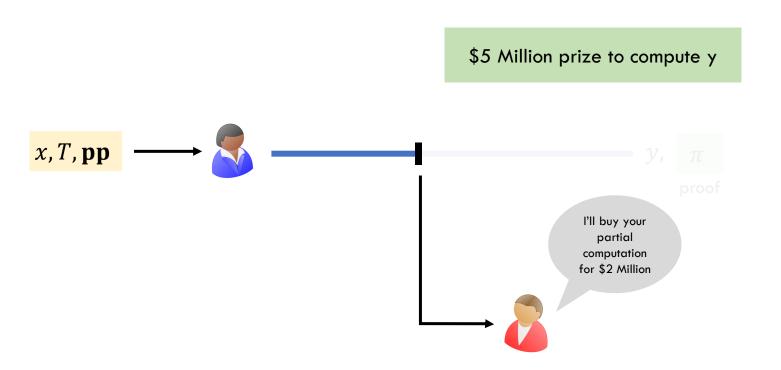
[Ephraim-Freitag-Komargodski-Pass'20]

\$5 Million prize to compute y  $x, T, \mathbf{pp} \longrightarrow y, \pi$ proof

[Ephraim-Freitag-Komargodski-Pass'20]



[Ephraim-Freitag-Komargodski-Pass'20]



How does Alice transfer a state that Bob is able to verify?

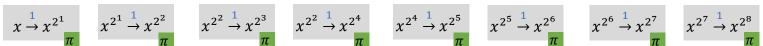


 $x \xrightarrow{1} x^{2^{1}} x^{2^{2}} x^{2^{2}} x^{2^{2}} x^{2^{3}} x^{2^{3}} x^{2^{4}} x^{2^{4}} x^{2^{4}} x^{2^{5}} x^{2^{5}} x^{2^{5}} x^{2^{6}} x^{2^{6}} x^{2^{6}} x^{2^{7}} x^{2^{7}} x^{2^{8}}$ 









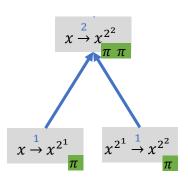


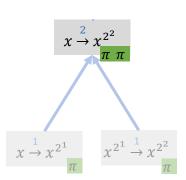


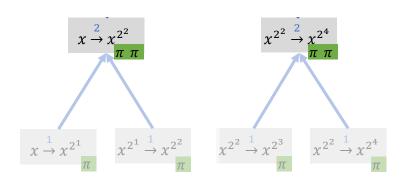


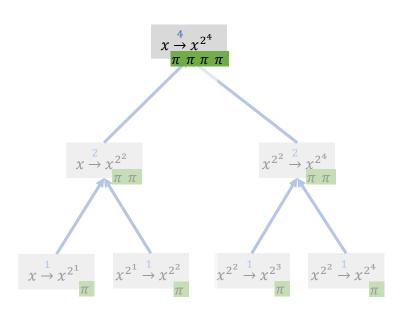
$$x^{2^7} \xrightarrow{1} x$$

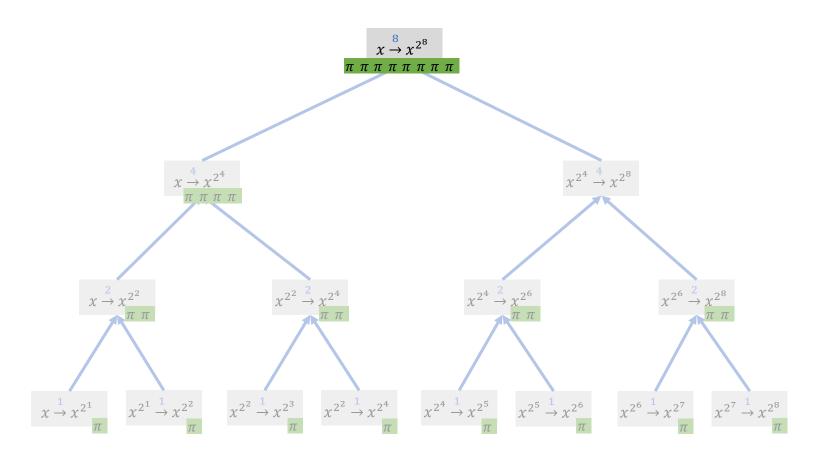


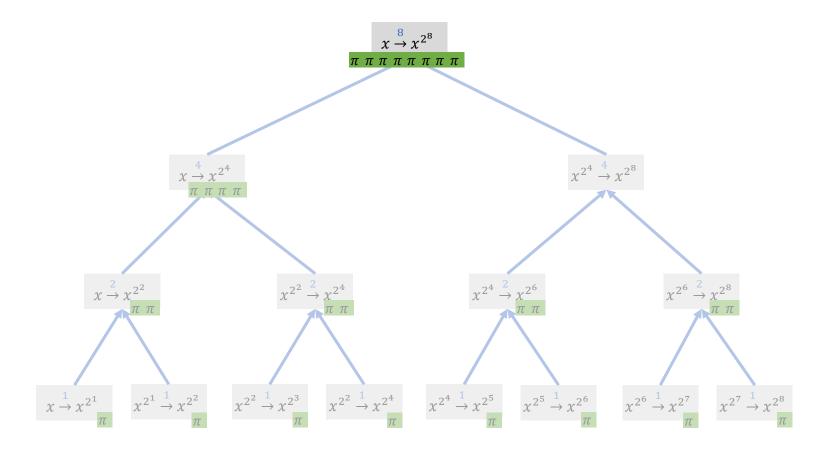










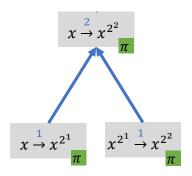


For T squarings, number of proofs is O(T)!

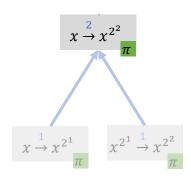




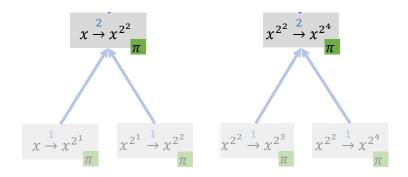
Merge proofs into a single proof in  $poly(\lambda)$  time



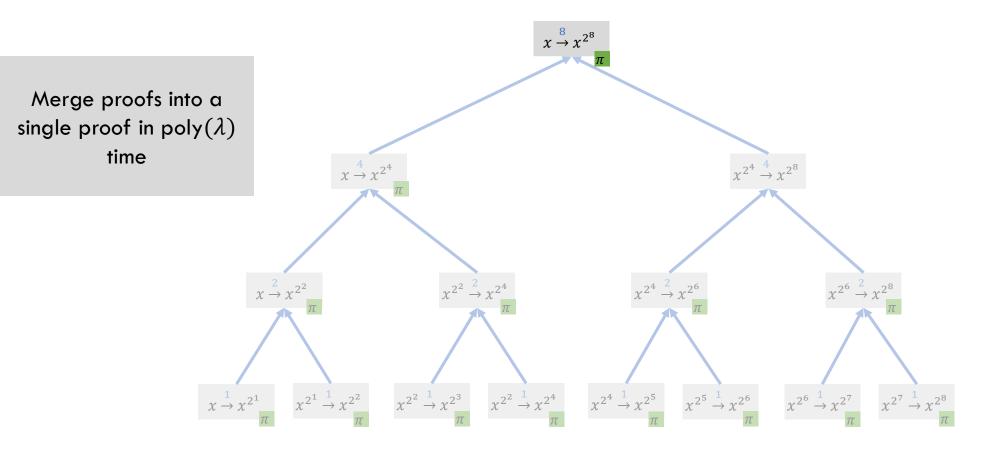
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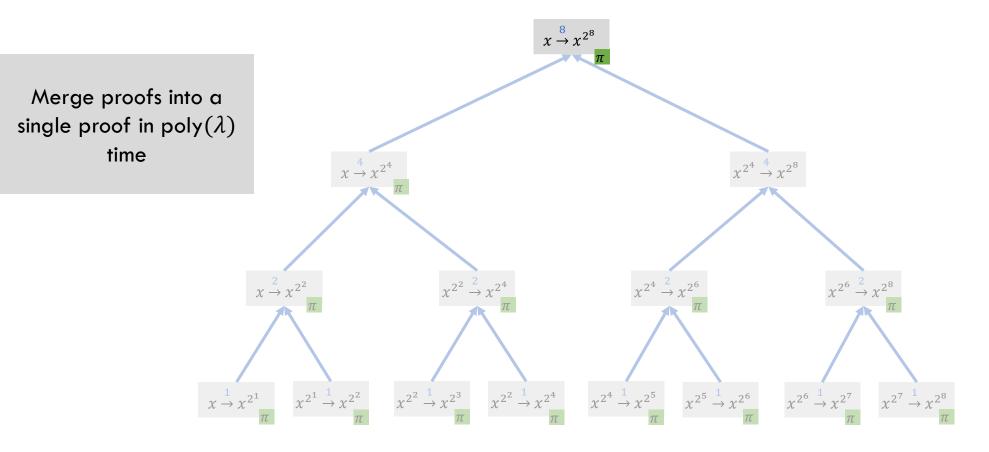


Merge proofs into a single proof in  $poly(\lambda)$  time



Merge proofs into a single proof in poly( $\lambda$ ) time  $x \xrightarrow{4} x^{2^4}$   $x \xrightarrow{4} x^{2^4}$   $x \xrightarrow{7} x^{2^2}$   $x \xrightarrow{7} x^{2^1}$   $x^{2^1} \xrightarrow{7} x^{2^2}$   $x^{2^2} \xrightarrow{7} x^{2^3}$   $x^{2^2} \xrightarrow{7} x^{2^4}$   $x^{2^2} \xrightarrow{7} x^{2^4}$   $x^{2^2} \xrightarrow{7} x^{2^4}$ 

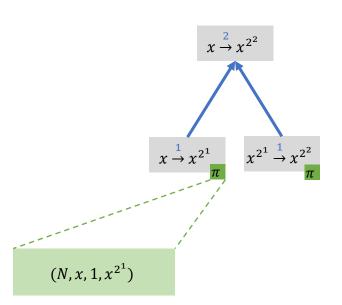


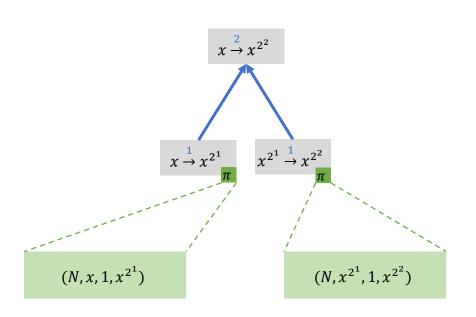


For T squarings, number of proofs is O(1)!



[C-Hubáček-Kamth-Pietrzak-Rosen-Rothblum'19]

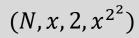


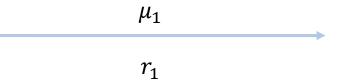


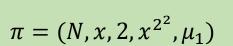


$$\mu_1 = x^{2^1}$$

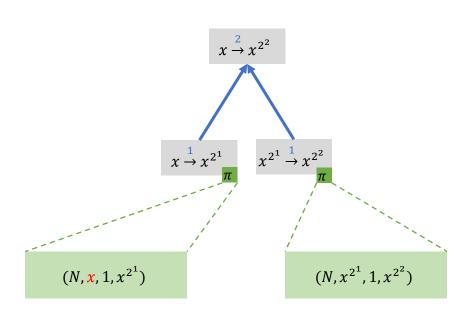
$$x_2 = x^{r_1} \cdot \mu_1 y_2 = \mu_1^{r_1} \cdot x^{2^2}$$







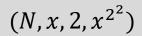


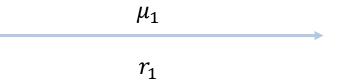




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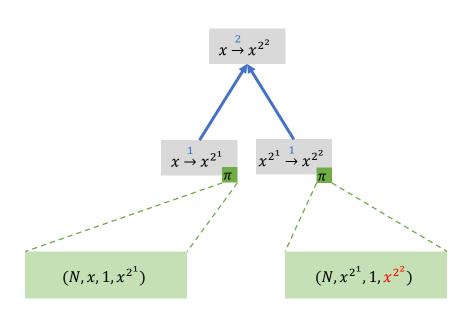
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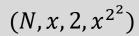
$$\pi = (N, \mathbf{x}, 2, x^{2^2}, \mu_1)$$



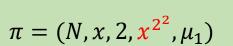


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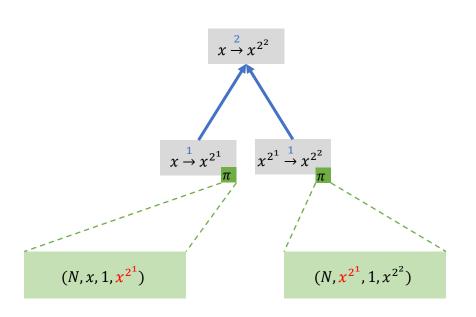
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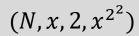


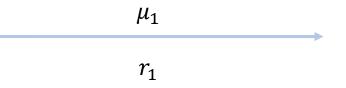




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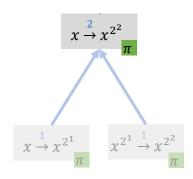
$$x_2 = x^{r_1} \cdot \mu_1 y_2 = \mu_1^{r_1} \cdot x^{2^2}$$





$$\pi = (N, x, 2, x^{2^2}, \mu_1)$$

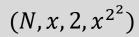


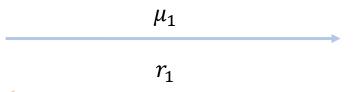




$$\mu_1 = x^{2^1}$$

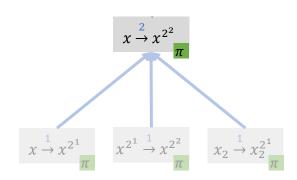
$$x_2 = x^{r_1} \cdot \mu_1$$
  
$$y_2 = \mu_1^{r_1} \cdot x^{2^2}$$







$$\pi = (N, x, 2, x^{2^2}, \mu_1)$$



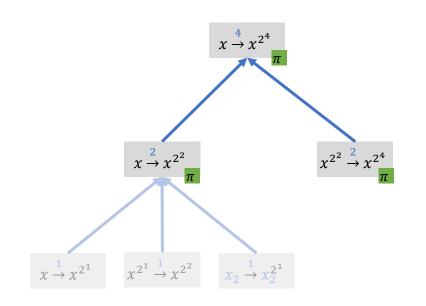


$$x_{2} = x^{r_{1}} \cdot \mu_{1}$$

$$y_{2} = \mu_{1}^{r_{1}} \cdot x^{2^{2}}$$

 $\mu_1$ 







$$\mu_1 = x^{2^2}$$

$$x_2 = x^{r_1} \cdot \mu_1 y_2 = \mu_1^{r_1} \cdot x^{2^4}$$

$$\mu_2 = x_2^{2^1}$$

$$x_3 = x_2^{r_2} \cdot \mu_2 y_3 = \mu_2^{r_2} \cdot y_2$$

 $(N, x, 4, x^{2^4})$ 

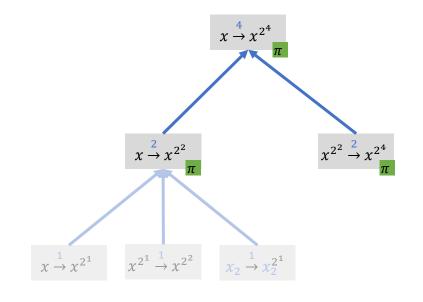


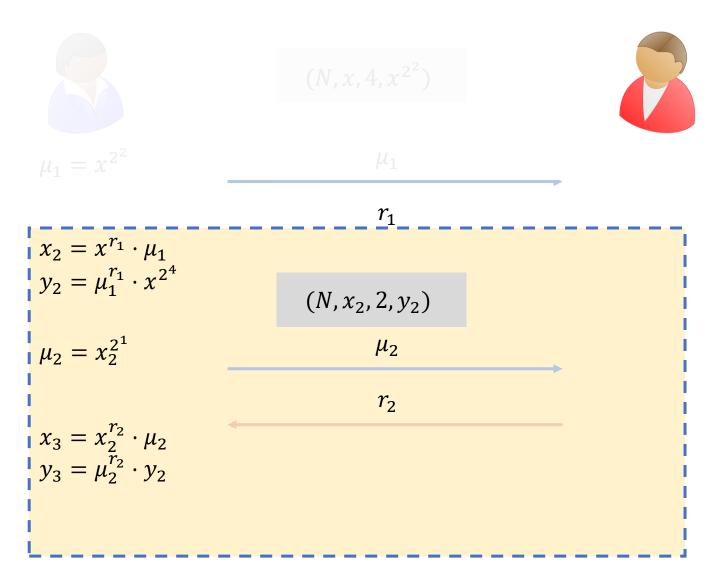
$$\mu_1$$

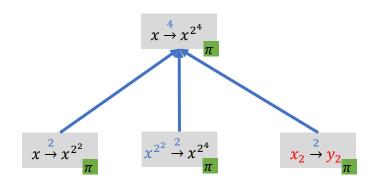
 $r_1$ 

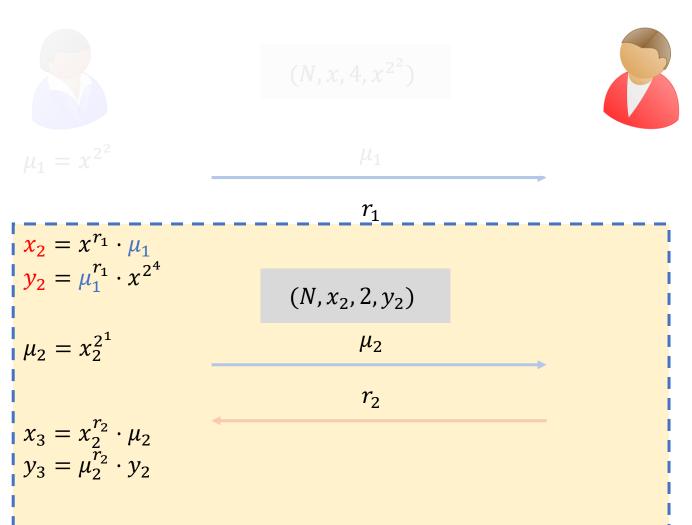
 $\mu_2$ 

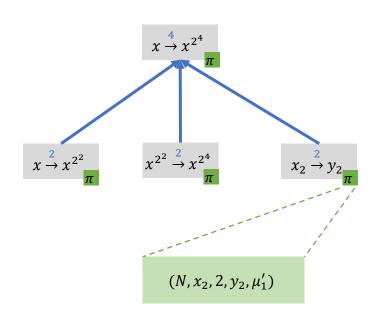
 $r_2$ 













$$\mu_1 = x^{2^2}$$

$$x_2 = x^{r_1} \cdot \mu_1 y_2 = \mu_1^{r_1} \cdot x^{2^4}$$

$$\mu_2 = x_2^{2^1}$$

$$x_3 = x_2^{r_2} \cdot \mu_2 y_3 = \mu_2^{r_2} \cdot y_2$$

 $(N, x, 4, x^{2^2})$ 

 $\mu_1$ 

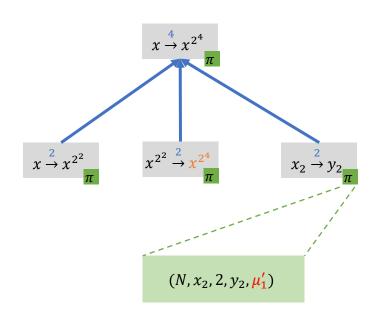
 $r_1$ 

 $\mu_2$ 

 $r_2$ 

 $\pi = (N, x, 4, x^{2^4}, \mu_1, \mu_2)$ 







$$\mu_1 = x^{2^2}$$

$$x_2 = x^{r_1} \cdot \mu_1 y_2 = \mu_1^{r_1} \cdot x^{2^4}$$

$$\mu_2 = x_2^{2^1}$$

$$x_3 = x_2^{r_2} \cdot \mu_2 y_3 = \mu_2^{r_2} \cdot y_2$$

 $(N, x, 4, x^{2^2})$ 

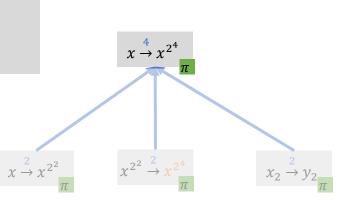


 $r_2$ 

$$\pi = (N, x, 4, x^{2^4}, \mu_1, \mu_2)$$



Merge two proof for T/2 squarings in O(T/2) time.





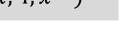
$$\mu_1 = x^{2^2}$$

$$x_2 = x^{r_1} \cdot \mu_1 y_2 = \mu_1^{r_1} \cdot x^{2^4}$$

$$\mu_2 = x_2^{2^1}$$

$$x_3 = x_2^{r_2} \cdot \mu_2 y_3 = \mu_2^{r_2} \cdot y_2$$

 $(N, x, 4, x^{2^2})$ 



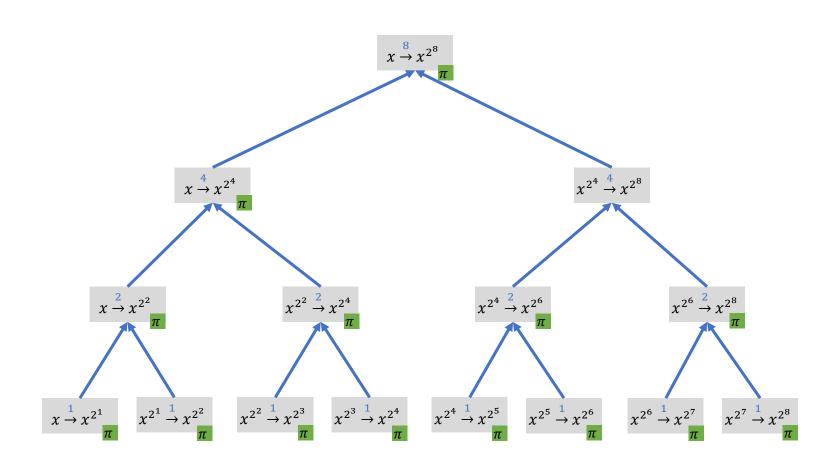
 $r_1$ 

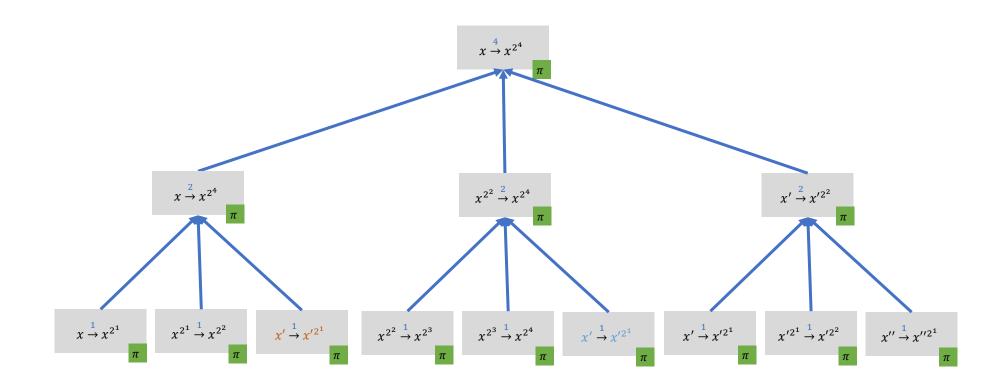
 $\mu_1$ 

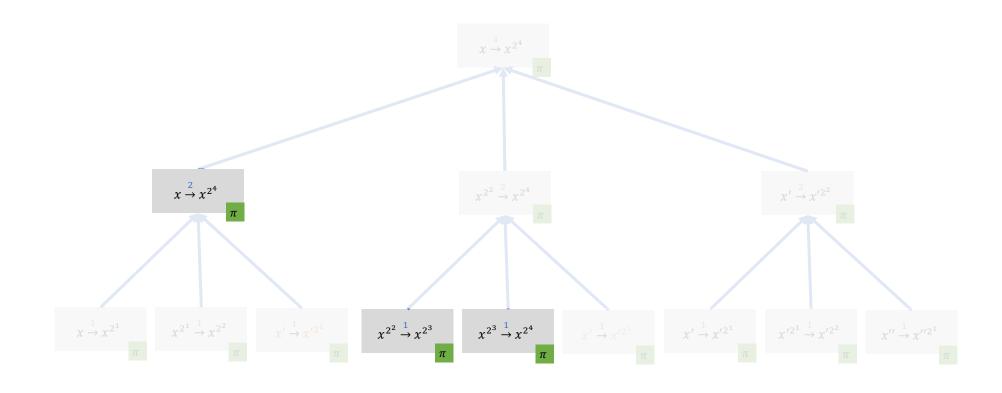
$$r_2$$

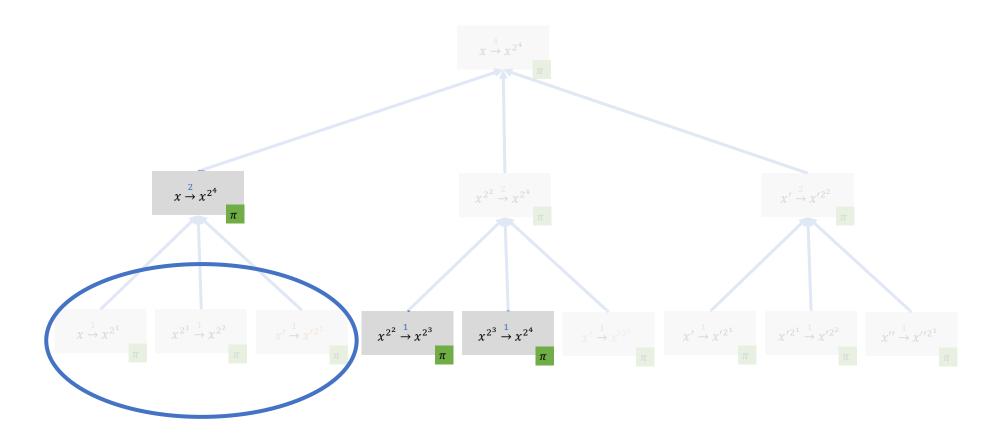
$$\pi = (N, x, 4, x^{2^4}, \mu_1, \mu_2)$$





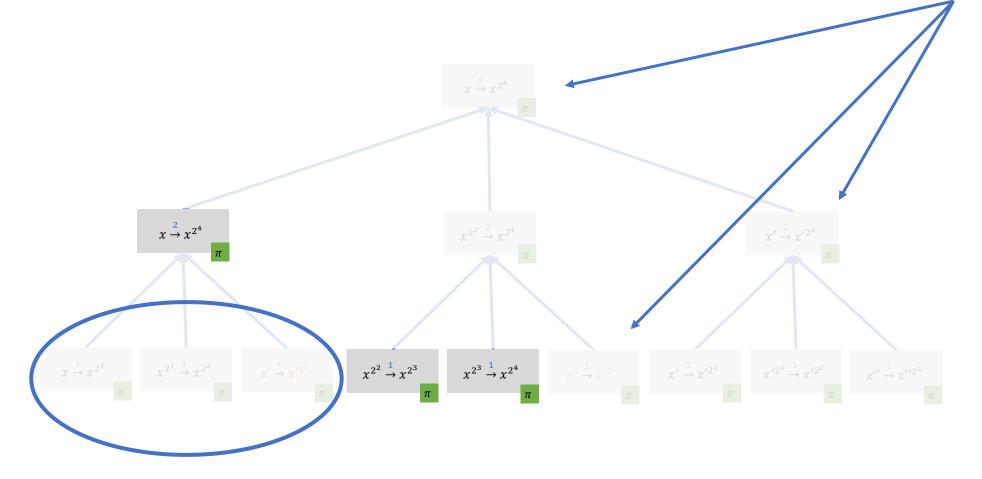




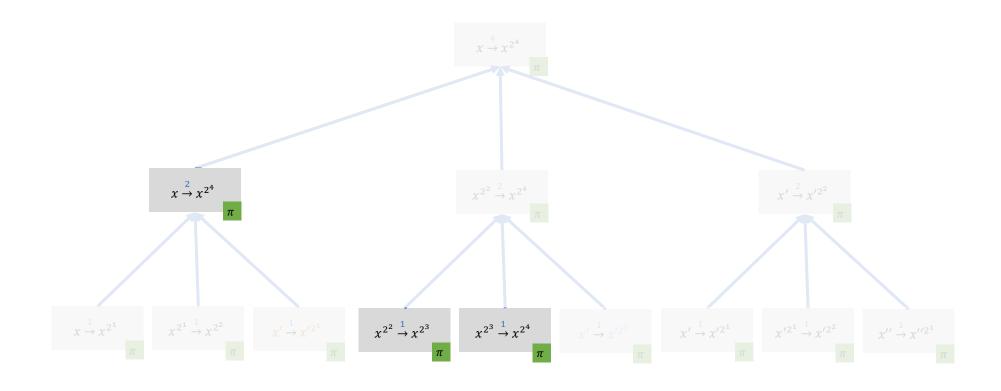


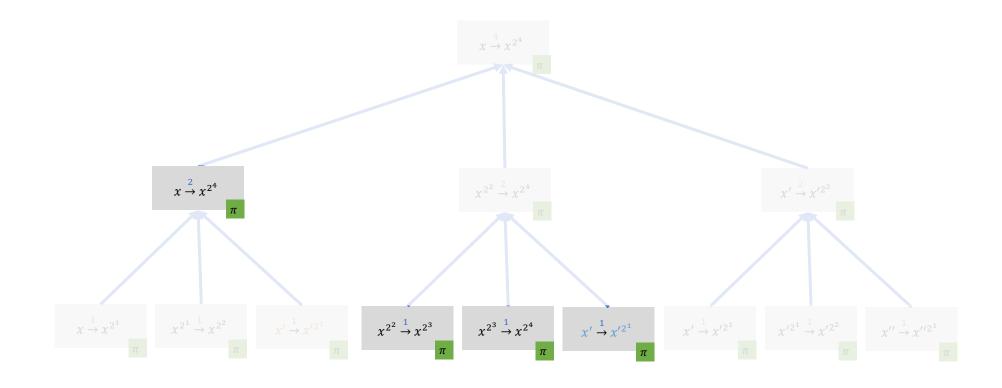
Merged and discarded

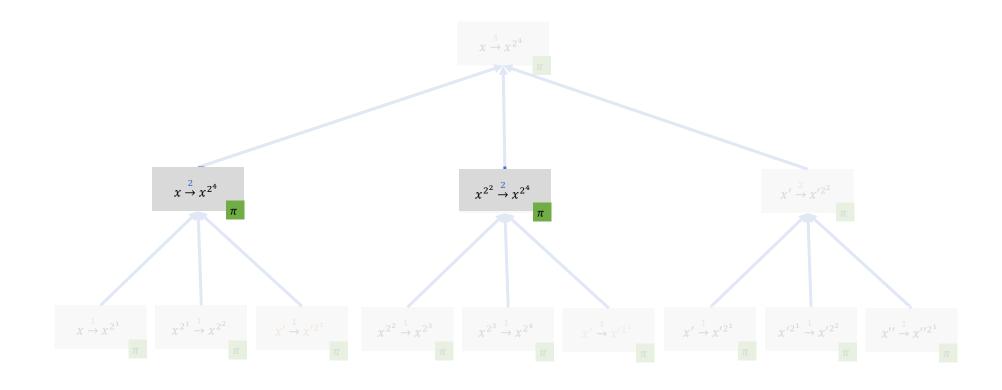
Haven't reached yet

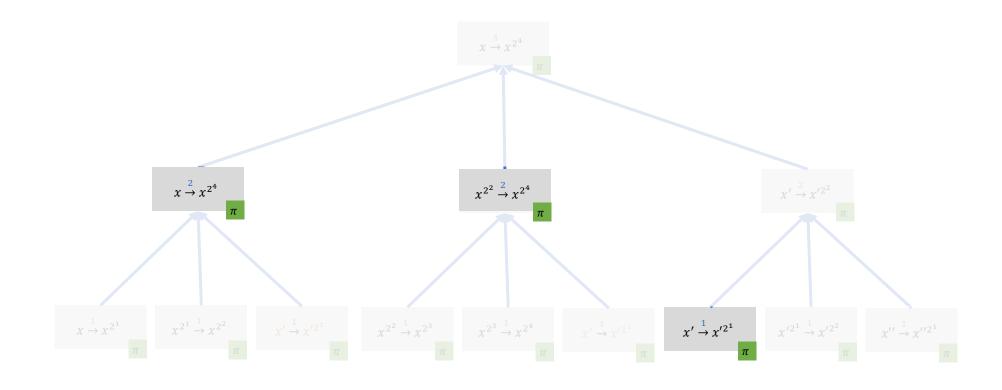


Merged and discarded









the term  $x \xrightarrow{5} x^{2^4}$   $x \xrightarrow{2} x^{2^4}$   $x^{2^2} \xrightarrow{2} x^{2^4}$   $x^{2^2} \xrightarrow{2} x^{2^4}$   $x^{2^2} \xrightarrow{3} x^{2^4}$ 

### Verifying i-th state:

- 1. Determine which nodes are active in i-th step of depth first traversal.
- 2. Verify proofs in each active node.

Depth first traversal of the ternary tree

# Putting it together: cVDF

Compute  $x \xrightarrow{T} x^{2^T}$  in a continuous verifiable manner

Compute root of ternary tree

Prover cost

$$P(T) = 3P(T/2)$$

Proof size

 $O(\operatorname{polylog}(T))$ 

# Part 2: Nash Equilibrium

Sink of Verifiable Line (SVL)

# Game Theory and Nash Equilibrium



|       | Left   | Right  |
|-------|--------|--------|
| Left  | 1 \ -1 | -1\1   |
| Right | -1 \ 1 | 1 \ -1 |

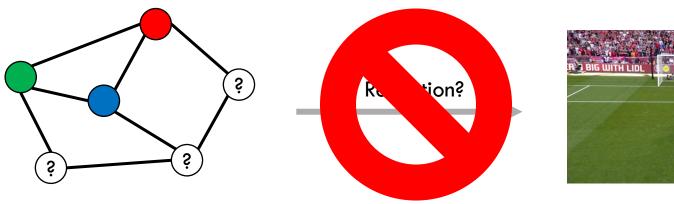
[Nash'51]: A (mixed) equilibrium always exists

# How hard is finding a Nash Equilibrium?



|       | Left   | Right  |
|-------|--------|--------|
| Left  | 1 \ -1 | -1\1   |
| Right | -1 \ 1 | 1 \ -1 |

# How hard is finding a Nash Equilibrium?





|       | Left   | Right  |
|-------|--------|--------|
| Left  | 1 \ -1 | -1\1   |
| Right | -1 \ 1 | 1 \ -1 |

# Complexity of Computing a Nash Equilibrium

Computing Nash unlikely to be FNP-hard

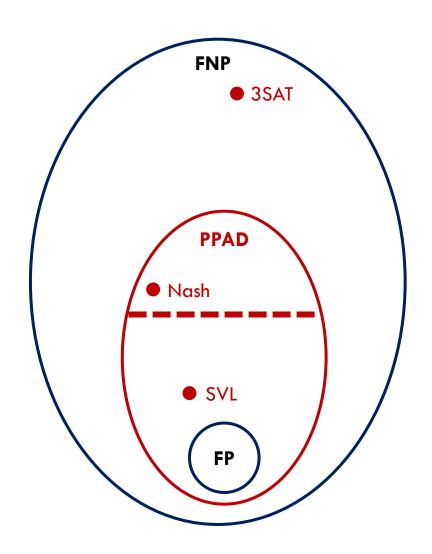
Look to Cryptography for hardness

Known from strong assumptions of obfuscation

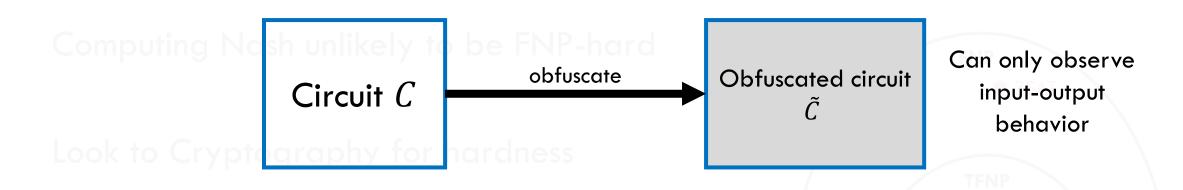
[Bitansky-Paneth-Rosen'15]

[Garg-Pandey-Srinivasan'16]

[Komorgodski-Segev'17]



# Complexity of Computing a Nash Equilibrium



### Known from strong assumptions of obfuscation

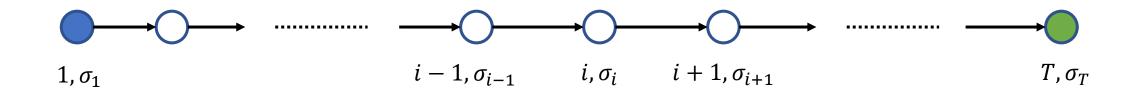
[Bitansky-Paneth-Rosen'15]

[Garg-Pandey-Srinivasan'16]

[Komorgodski-Segev'17]

## Sink of Verifiable Line (SVL)

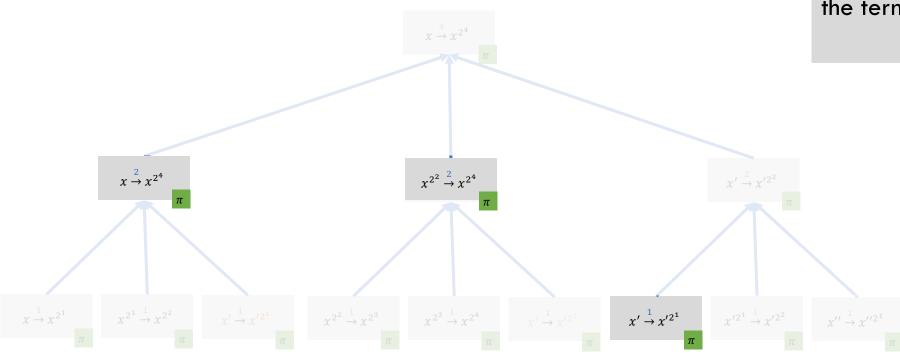
[Abbott-Kane-Valiant'04,Bitansky-Paneth Rosen'15]



Goal: Find  $(T, \sigma_T)$  that verifies for an exponential T



### Internal State of cVDF



### Verifying i-th state:

- 1. Determine which nodes are active in i-th step of depth first traversal.
- 2. Verify proofs in each active node.

Depth first traversal of the ternary tree

### Internal State of cVDF

Depth first traversal of the ternary tree

- 1. Set T to be exponential in  $\lambda$ .
- 2. Verification time  $polylog(T) = poly(\lambda)$ .
- 3. Hard for  $poly(\lambda)$  time adversary to compute  $x^{2^T} \mod N$ .

Hard instance of SVL from hardness of repeated squaring (and Fiat-Shamir heuristic).

#### Verifying i-th state:

- 1. Determine which nodes are active in i-th step of depth first traversal.
- 2. Verify proofs in each active node.

## Open Problems

VDFs from different assumptions?

VDFs from supersingular isogenies

Instantiating the Fiat-Shamir Heuristic in VDFs?

[Lombardi-Vaikuntanathan'19]

Other applications of continuous VDFs?

Hardness of Nash based on Factoring or other assumptions?

# Thank you. Questions?

Arka Rai Choudhuri achoud@cs.jhu.edu