

# B-IoT: Blockchain Driven Internet of Things with Credit-Based Consensus Mechanism

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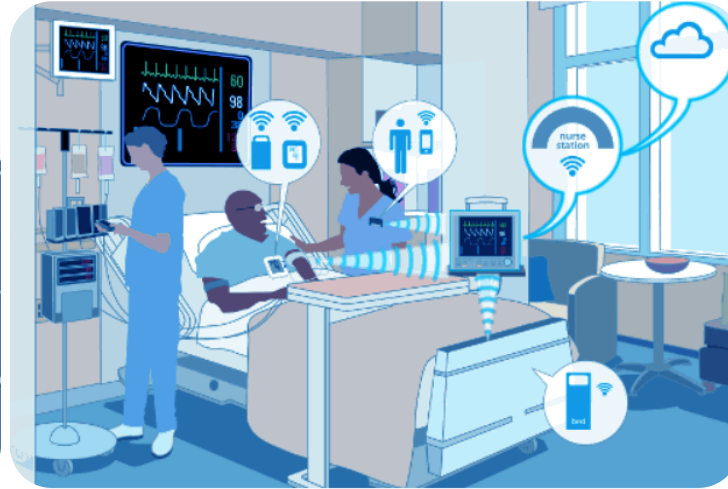
Shanghai Jiao Tong University



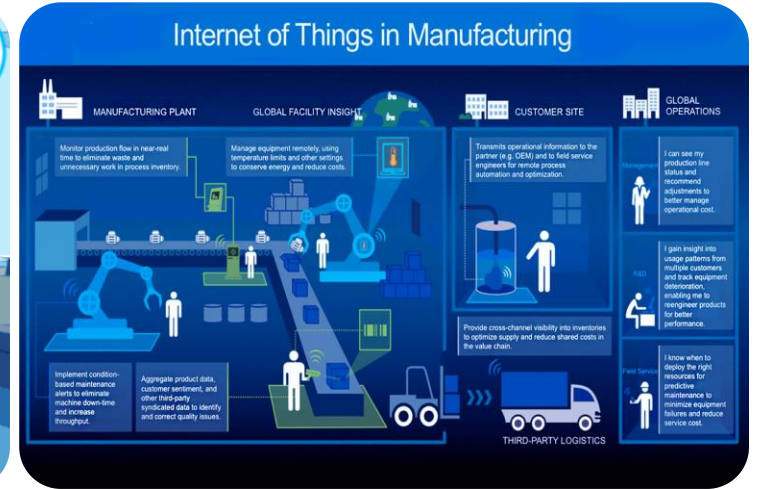
# Internet of Things Systems



Transportation



Healthcare

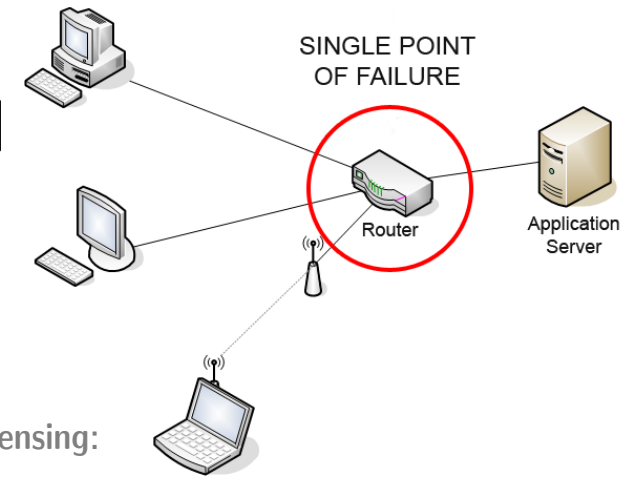


Industrial/Manufacturing Field

IoT smart objects are expected to reach 212 billion entities deployed globally by the end of 2020

# Open Issues in IoT Systems

- Single point of failure [1]
- Malicious attacks such as DDoS, Sybil attack [2], [3]
- Data disclosure & credibility [4]
- System scalability [5]



[1] I. J. Vergara-Laurens, L. G. Jaimes, and M. A. Labrador, “Privacy-preserving mechanisms for crowdsensing: Survey and research challenges,” *IEEE Internet of Things Journal*, vol. 4, no. 4, pp. 855–869, 2017.

[2] H. Yu, P. B. Gibbons, M. Kaminsky, and F. Xiao, “Sybillimit: A near-optimal social network defense against sybil attacks,” in *IEEE Symposium on Security and Privacy (S&P)*, May 2008, pp. 3–17.

[3] Y. Lu and L. D. Xu, “Internet of things (iot) cybersecurity research: A review of current research topics,” *IEEE Internet of Things Journal*, pp. 1–1, 2018.

[4] IoTeX, “Blockchain & iot: What’s it all about?” Oct 2018. [Online]. Available: <https://hackernoon.com/blockchain-iot-whats-it-all-about-f594b3f0da1e>

[5] K. Iwanicki, “A distributed systems perspective on industrial iot,” in *IEEE 38th International Conference on Distributed Computing Systems (ICDCS)*, July 2018, pp. 1164–1170.

# Combine Blockchain with IoT?

- Why Blockchain in IoT
  - non-manipulated source of data
  - break down monolithic data silos and enable trust across parties
- Related Work
  - A scalable access management system in IoT [IOTJ'18]
    - vulnerable to the **single point failure** and **attacks**
  - Consortium blockchain for secure energy trading in IIoT [TII'18]
    - data **disclosure** risk
  - A blockchain platform for clinical trial and precision medicine [ICDCS'17]

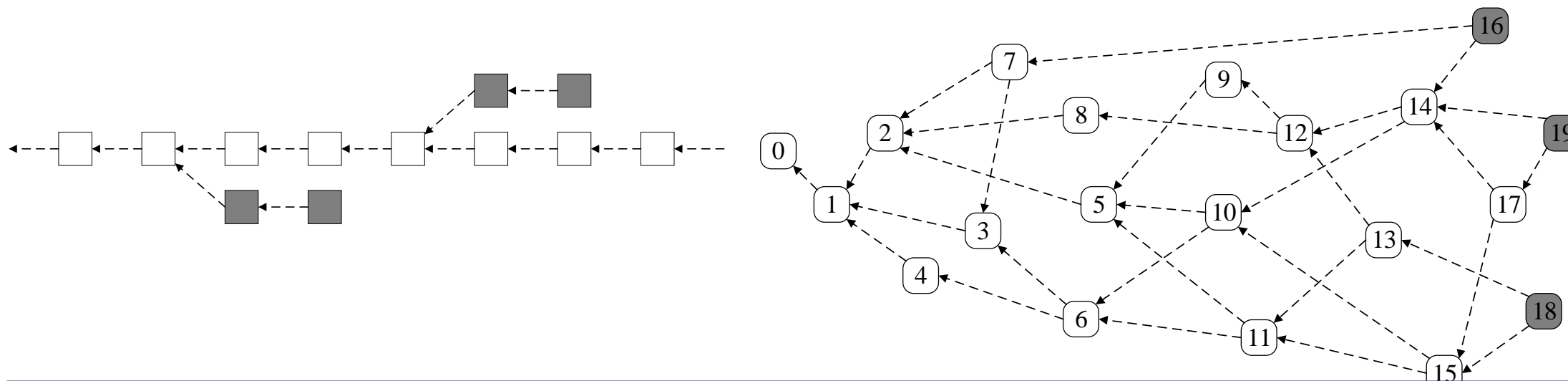
Not fully distributed, data privacy, too much overloads

# Main Challenges

- The conflicts between high concurrency and low throughput
  - We explore a DAG-structured blockchain based solution
- The trade-off between efficiency and security
- The coexistence of transparency and privacy

# Blockchains

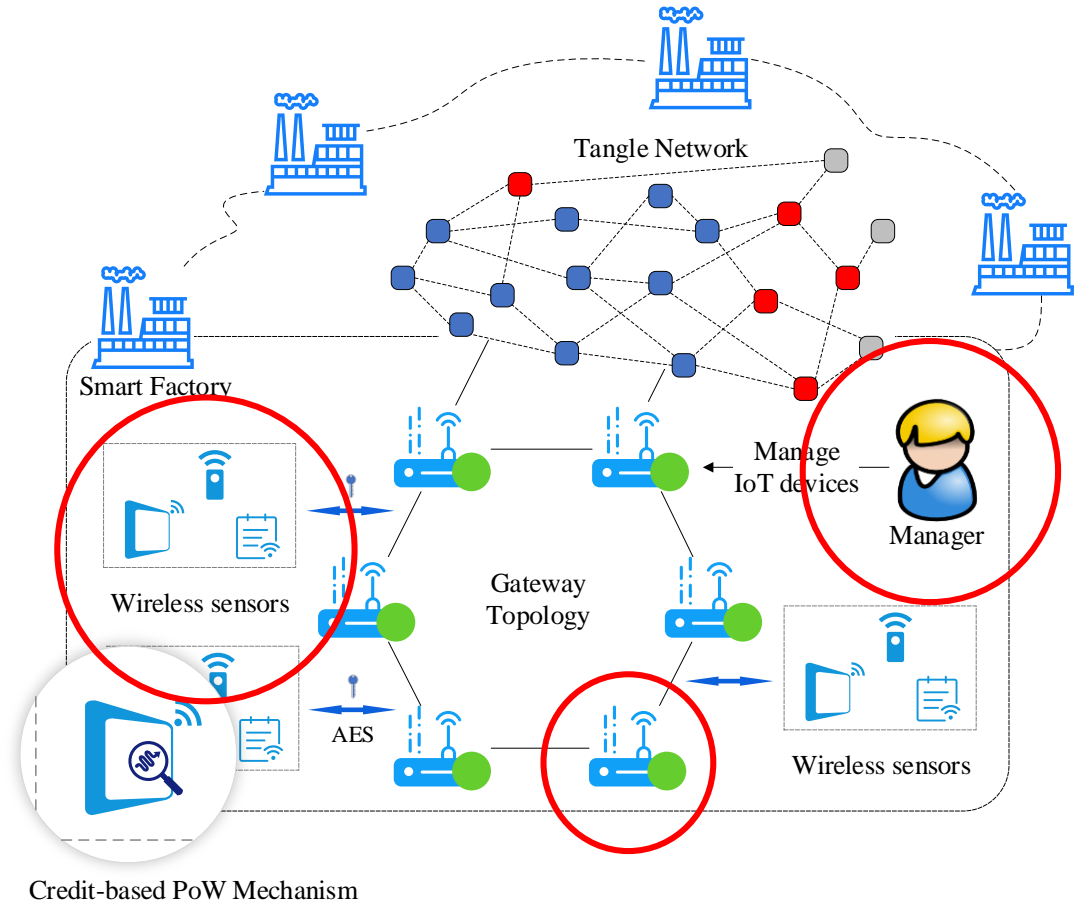
- Distributed ledgers or databases that enable parties which do not fully trust each other to form and maintain consensus



DAG-structured blockchains have a higher throughput than chain-structured blockchains

# B-IoT: System Overview

- Node type:
  - Light nodes
  - Full nodes
- A case study of smart factory:
  - Wireless sensors
  - Gateways
  - Manager
  - Tangle network



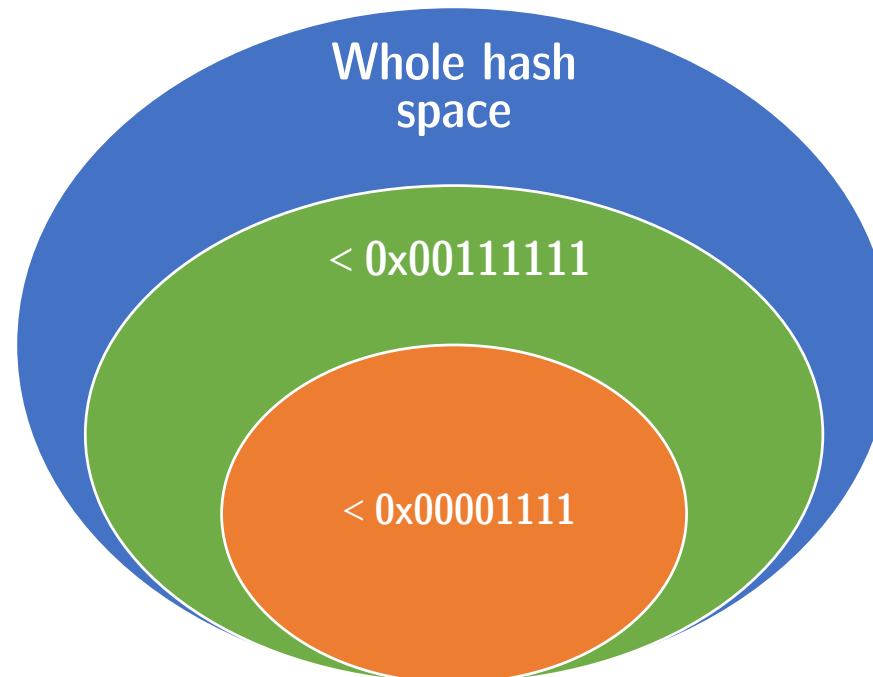
# Main Challenges

- The conflicts between high concurrency and low throughput
  - We explore a DAG-structured blockchain based solution
- The trade-off between efficiency and security
  - We design a moderate-cost credit-based PoW mechanism
- The coexistence of transparency and privacy

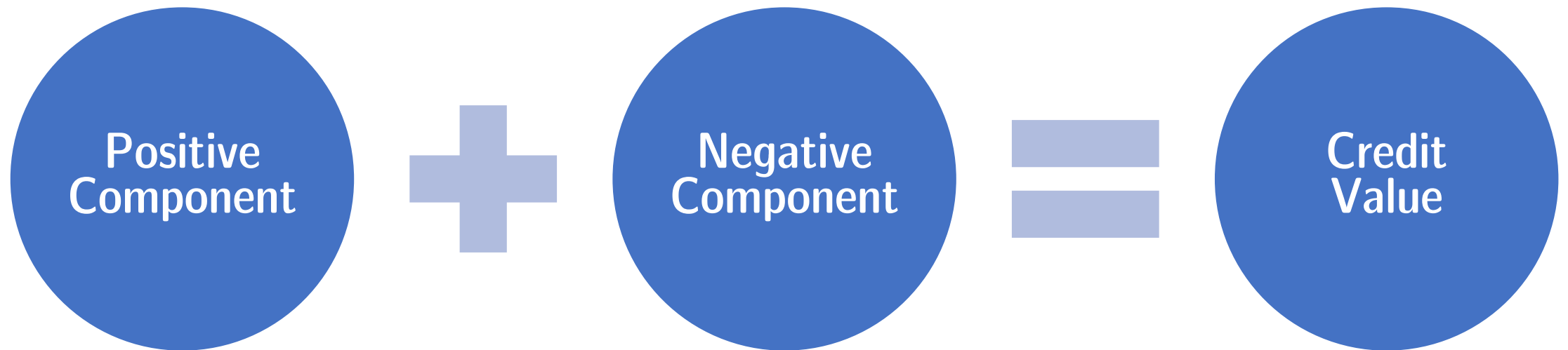


# Tuning the difficulty of PoW algorithm

- Less than the target hash value, i.e. the length of prefix zero
- E.g. hash space is  $0x00000000 \sim 0xffffffff$



# Credit-Based PoW Mechanism

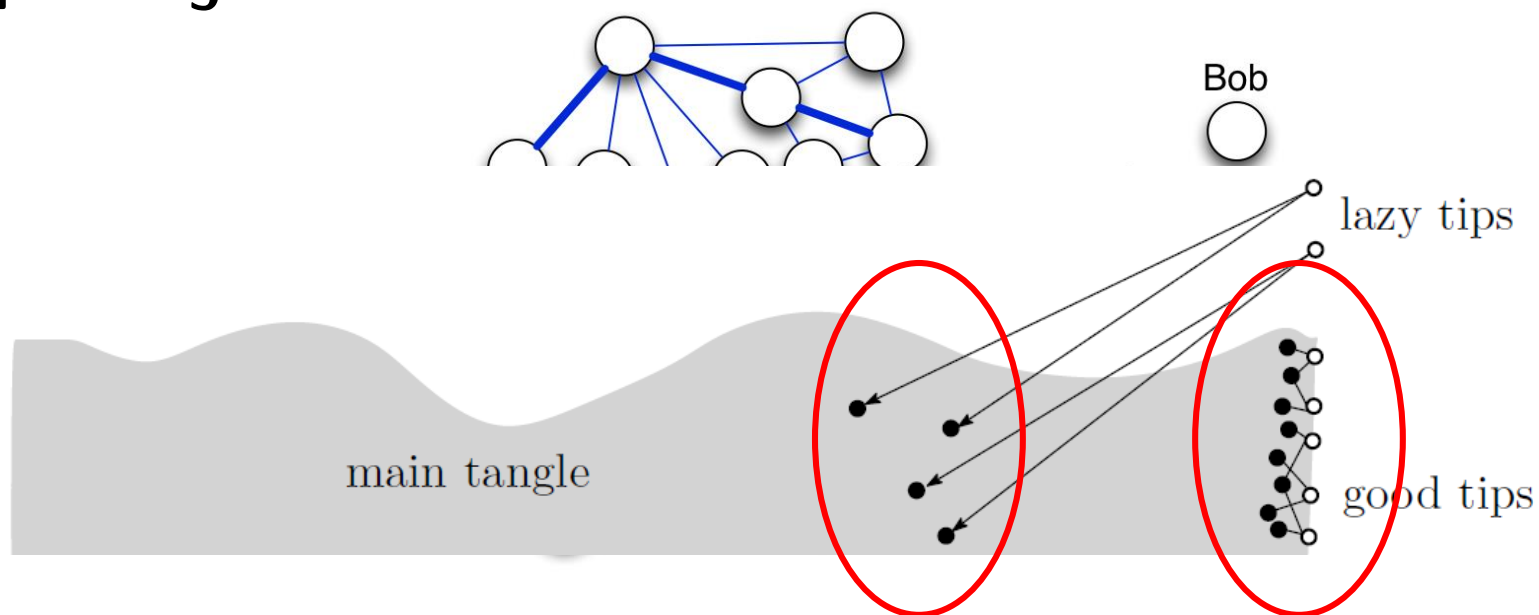


$$Cr_i^P = \frac{\sum_{k=1}^{n_i} w_k}{\Delta T}$$

$$Cr_i^N = - \sum_{k=1}^{m_i} \alpha(\mathcal{B}) \cdot \frac{\Delta T}{t - t_k}$$

# Malicious Behaviours

- Double-spending
- Lazy-tips



$$\alpha(\mathcal{B}) = \begin{cases} \alpha_l & \text{if } \mathcal{B} \text{ is lazy tips behaviour;} \\ \alpha_d & \text{if } \mathcal{B} \text{ is double-spending behaviour,} \end{cases}$$

# Credit-Based PoW Mechanism



$$Cr_i^P = \frac{\sum_{k=1}^{n_i} w_k}{\Delta T}$$

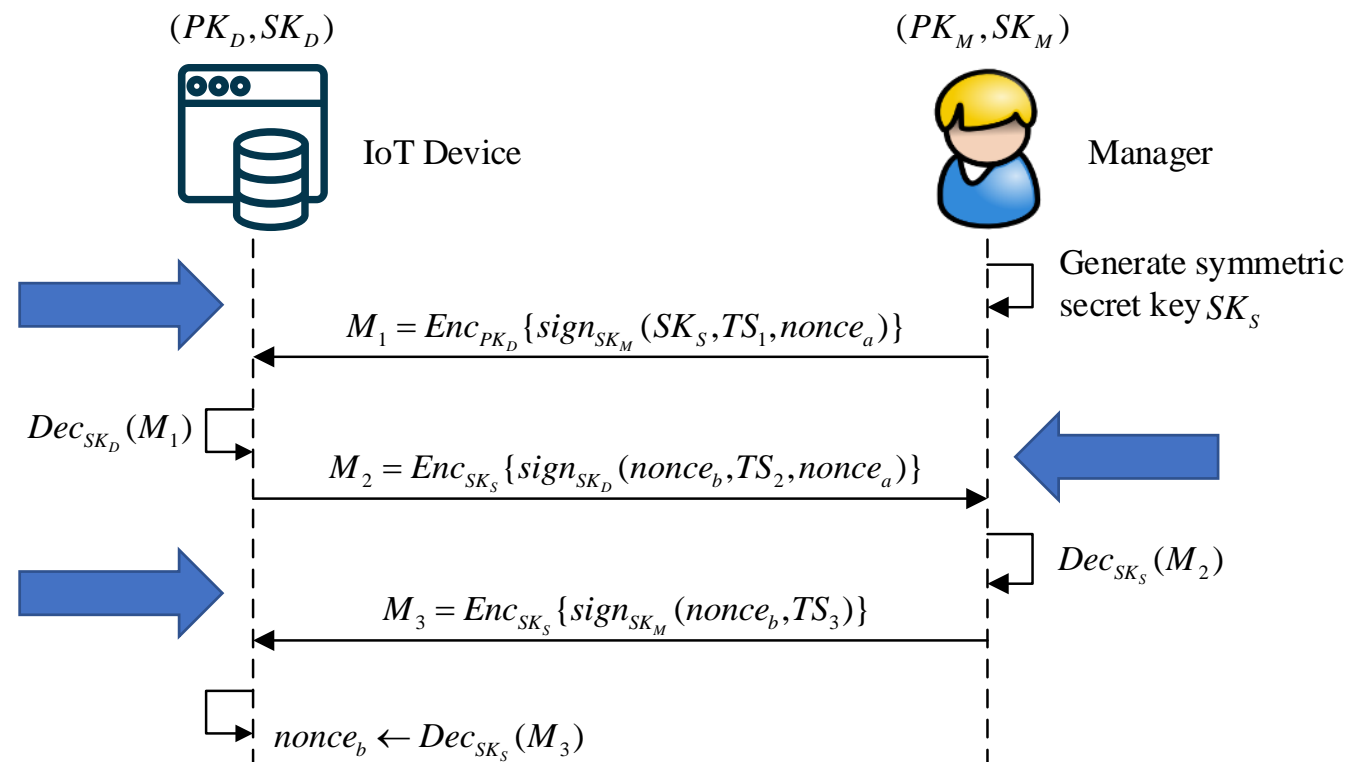
$$Cr_i^N = - \sum_{k=1}^{m_i} \alpha(\mathcal{B}) \cdot \frac{\Delta T}{t - t_k}$$

$$Cr_i = \lambda_1 Cr_i^P + \lambda_2 Cr_i^N$$

# Main Challenges

- The conflicts between high concurrency and low throughput
  - We explore a DAG-structured blockchain based solution
- The trade-off between efficiency and security
  - We design a moderate-cost credit-based PoW mechanism
- The coexistence of transparency and privacy
  - We propose an efficient data authority management method

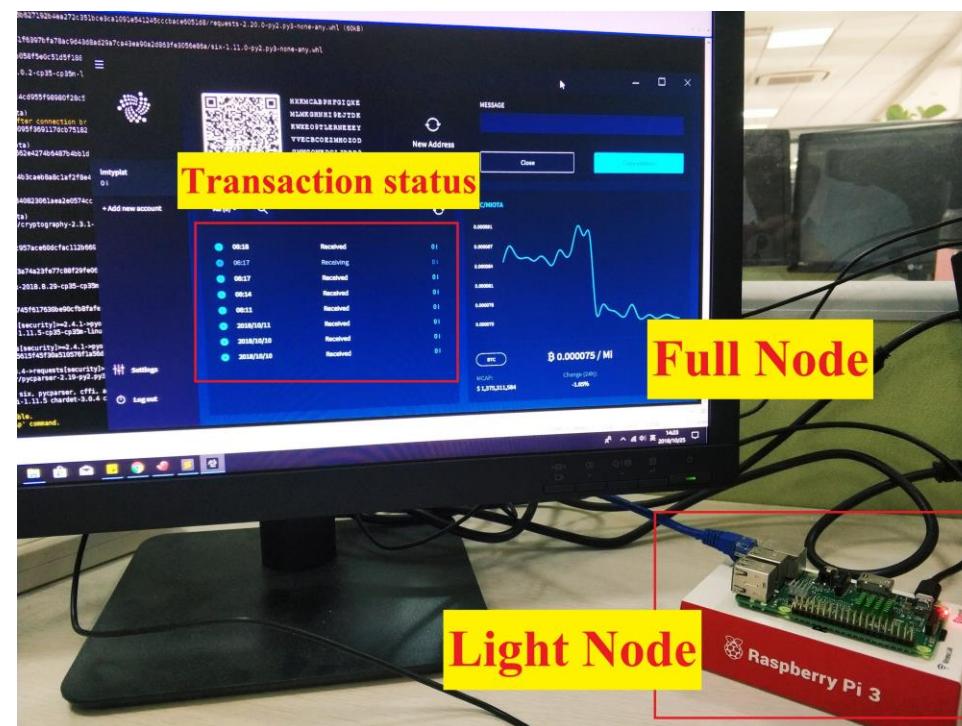
# Data Authority Management Method



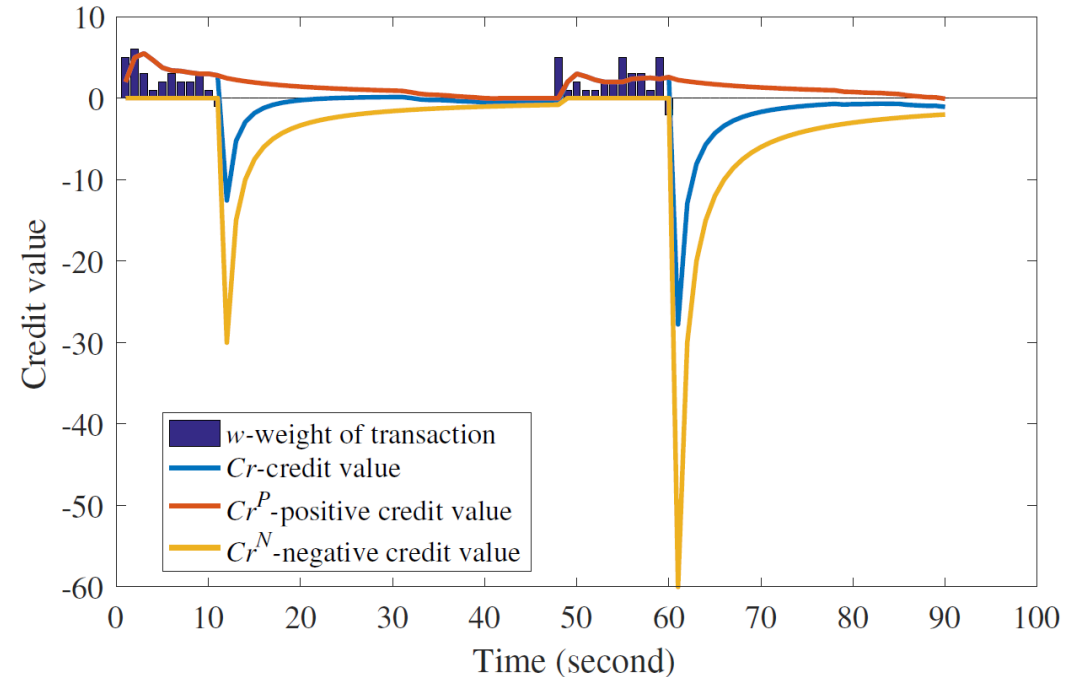
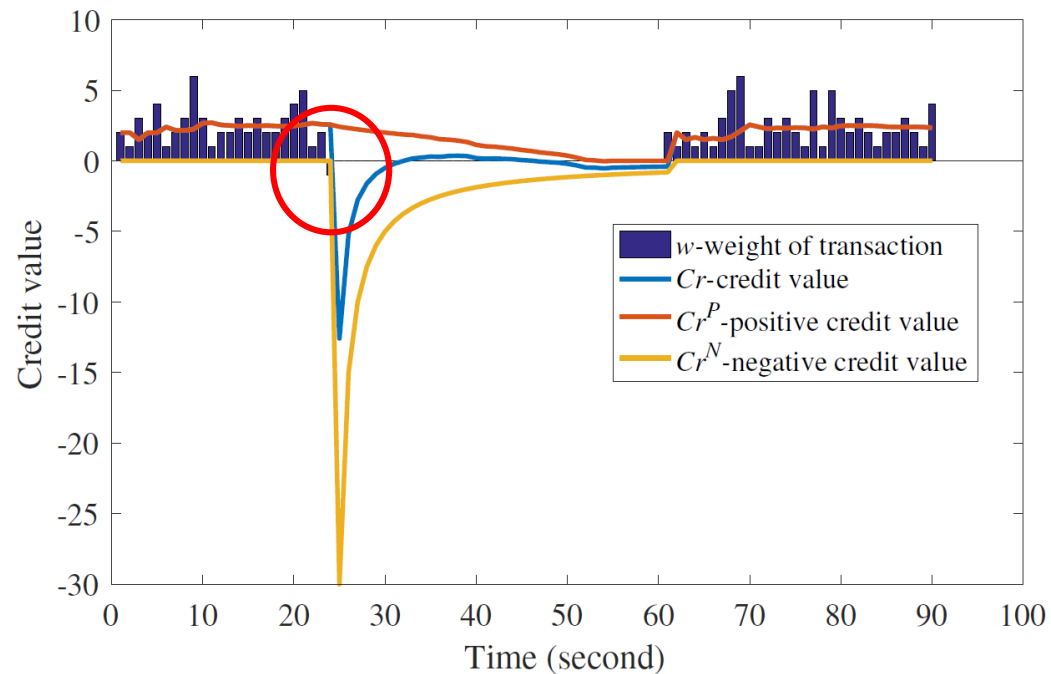
Distribute the symmetric secret key without the central trust server

# Implementation

- Full nodes: manager & gateway
  - commercial computer
  - implemented based on IRI
  - SHA-256 & AES encryption
- Light nodes: IoT devices
  - Raspberry Pi Model 3B
  - implemented based on PyOTA
  - Extended with local PoW
  - AES encryption



# Performance in Credit-Based PoW

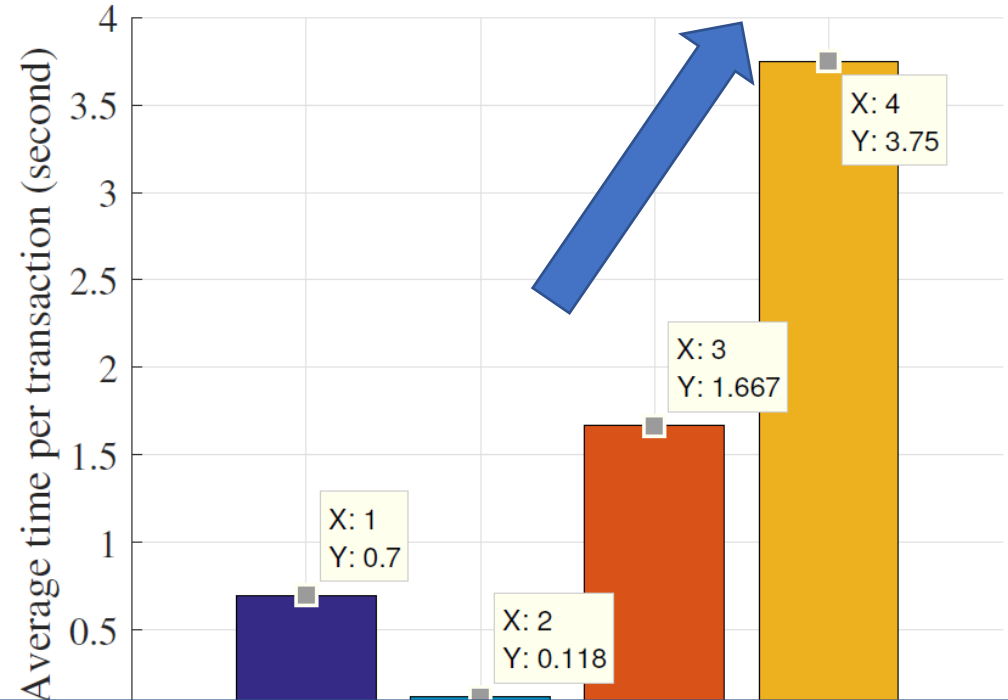


It will take longer time to recover normal transaction rate if the node conducts malicious attacks twice or more



# Performance in Credit-Based PoW

- Four control experiments:
  - PoW
  - Cr-PoW w/o malicious attacks
  - Cr-PoW with a malicious attack
  - Cr-PoW with two malicious attacks



Credit-based PoW can speed up transactions for honest nodes, also can defend malicious attacks efficiently

# Efficiency of Data Authority Management



The data authority management method has tiny impact on the whole transaction process

# Conclusion & Thank you!

- A general DAG-structured blockchain-based IoT system to address aforementioned challenges
- The credit-based PoW mechanism helps to make the blockchain more suitable for IoT systems
- The data authority management method can protect data privacy without affecting the system performance
- Future directions:
  - sensor data quality control
  - storage limitations