

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

ICDCS 2019, Dallas, Texas

Junqin Huang, Linghe Kong, Guihai Chen, Long Cheng, Kaishun Wu and Xue Liu

Shanghai Jiao Tong University



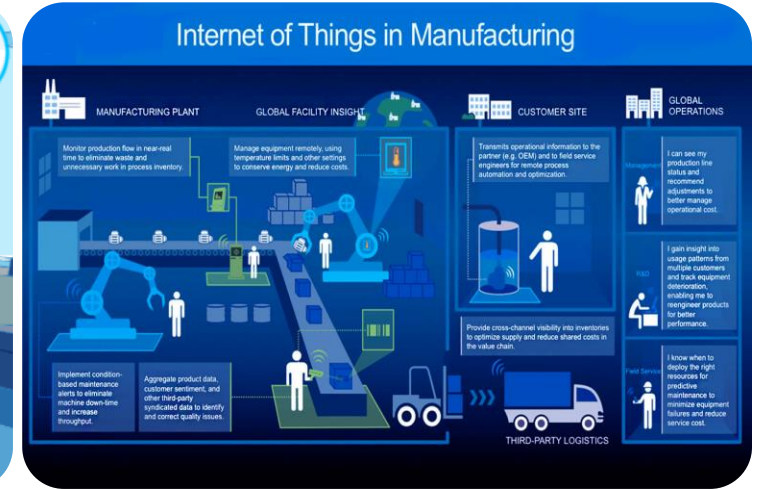
# Internet of Things Systems



Transportation



Healthcare

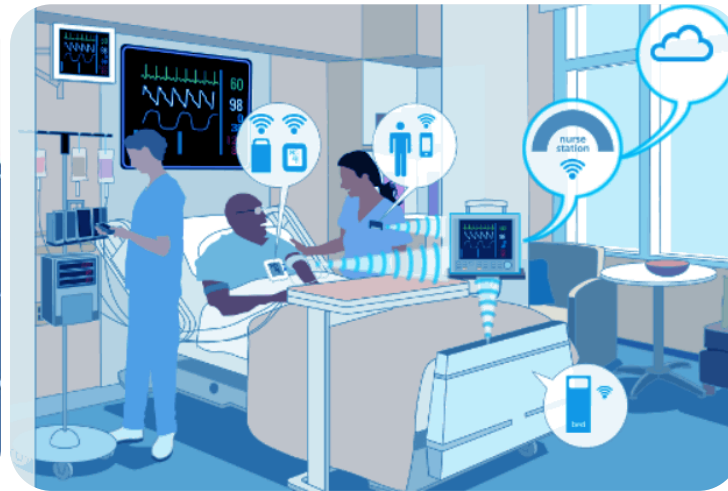


Industrial/Manufacturing Field

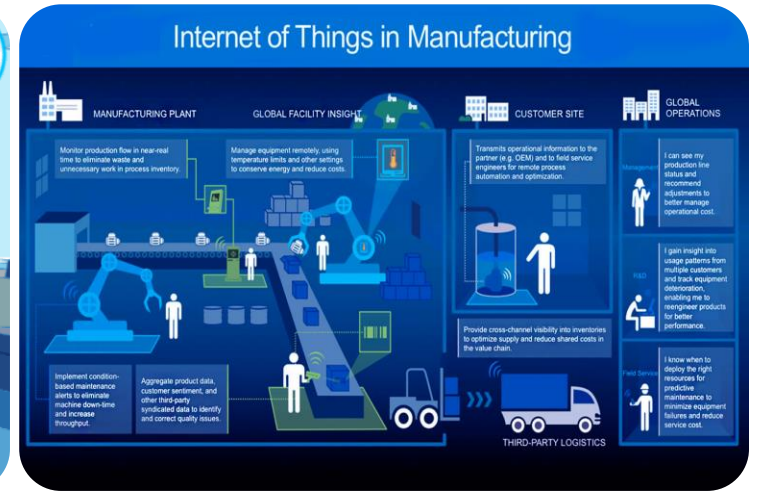
# Internet of Things Systems



Transportation



Healthcare

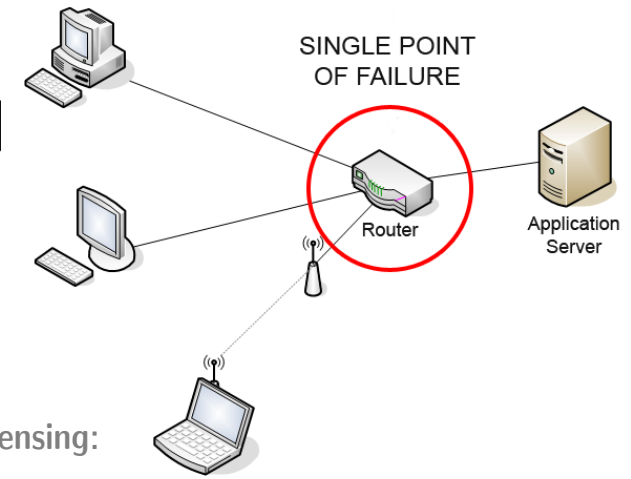


Industrial/Manufacturing Field

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]
  - stuck in the **concept stage**
- Integrating low power IoT devices to a blockchain-based infrastructure [EMSOFT'17]
  - bring too much **overloads** in IoT systems

# Main Challenges

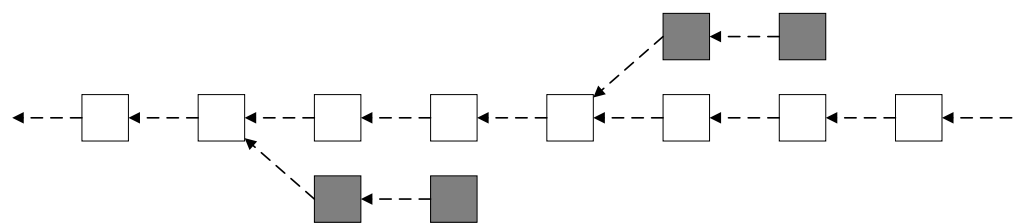
- The conflicts between high concurrency and low throughput
- The trade-off between efficiency and security
- The coexistence of transparency and privacy

# Main Challenges

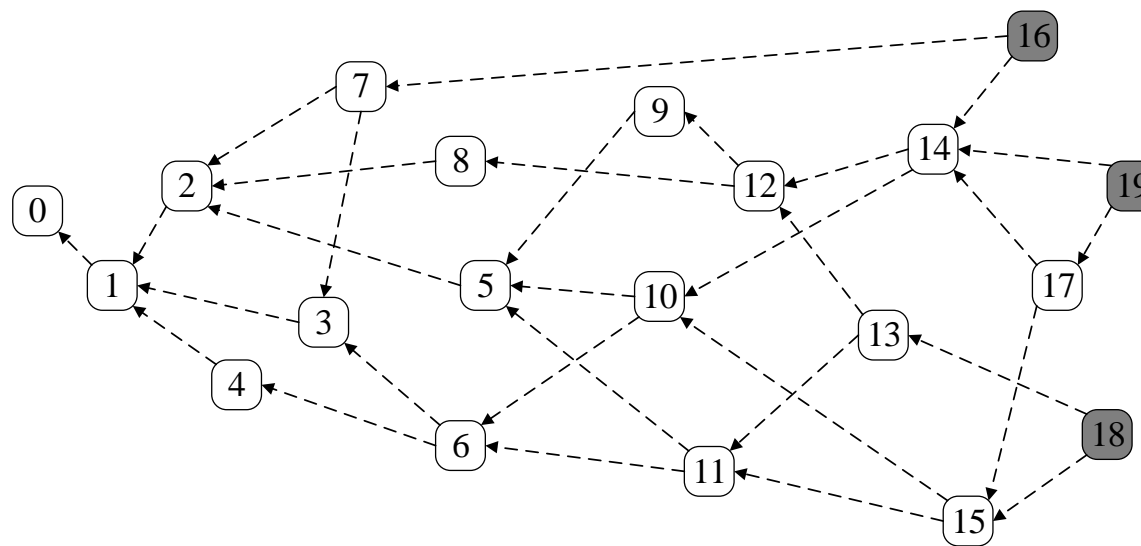
- The conflicts between high concurrency and low throughput
  - We explore a DAG-structured blockchain based solution
- The trade-off between efficiency and security
- The coexistence of transparency and privacy

# Blockchains

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



Chain-structured blockchain  
(bitcoin, Ethereum, Hyperledger, etc.)

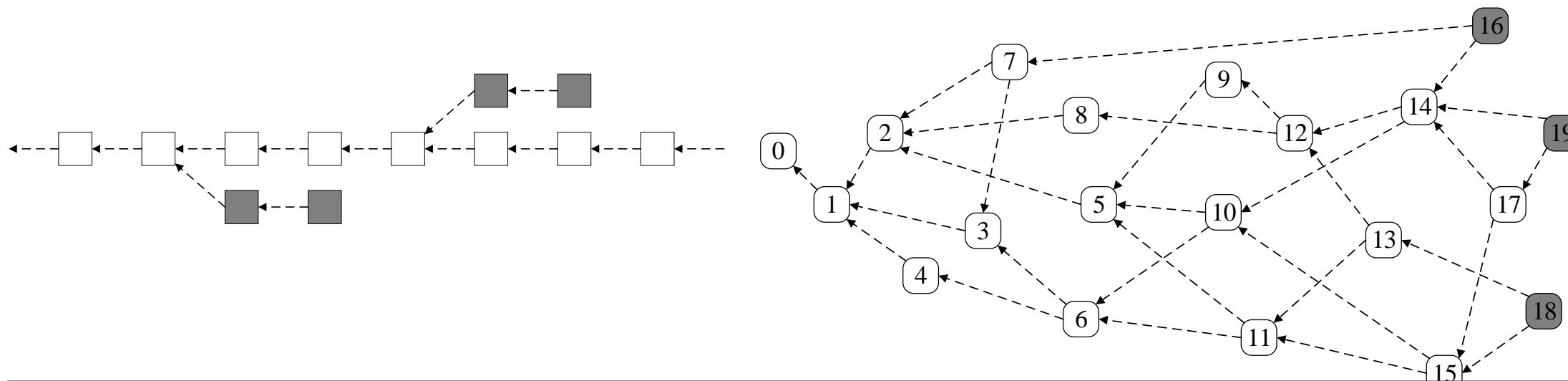


Directed acyclic graph (DAG)-structured blockchain  
(IOTA, Byteball, NANO, etc.)



# Blockchains

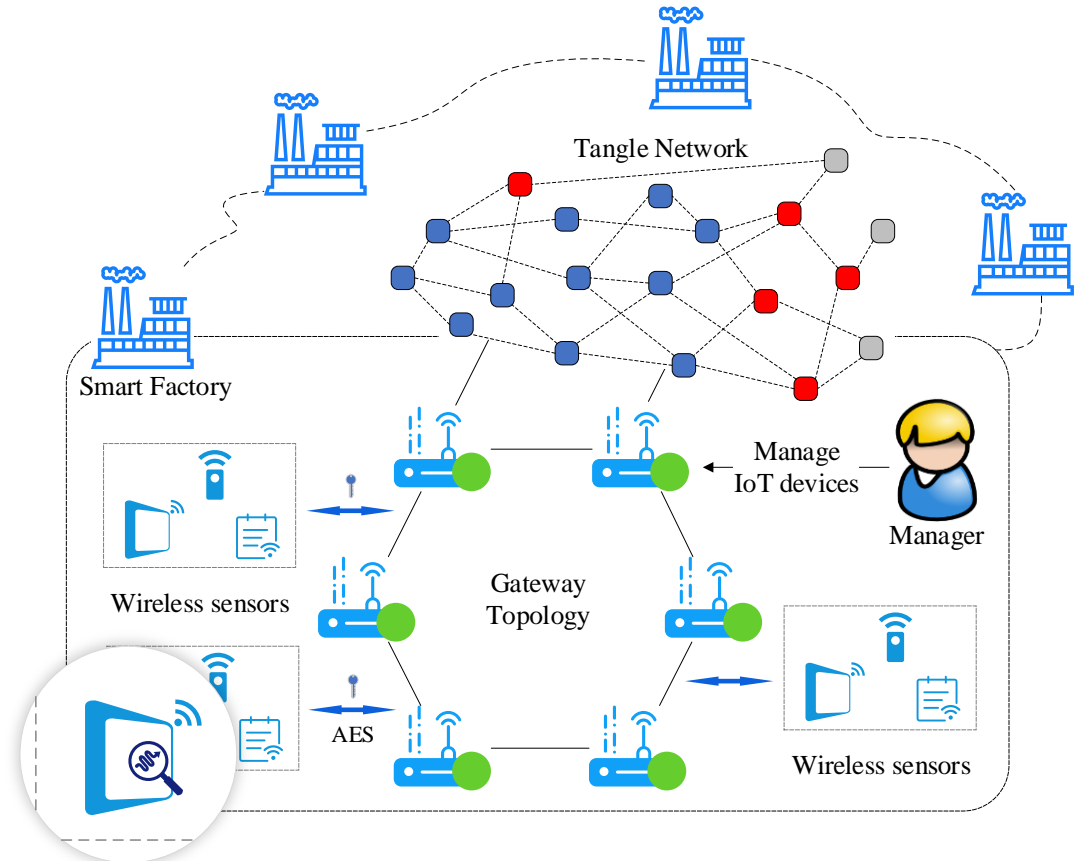
- Distributed ledgers or databases that enable parties which do not fully trust each other to form and maintain consensus



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

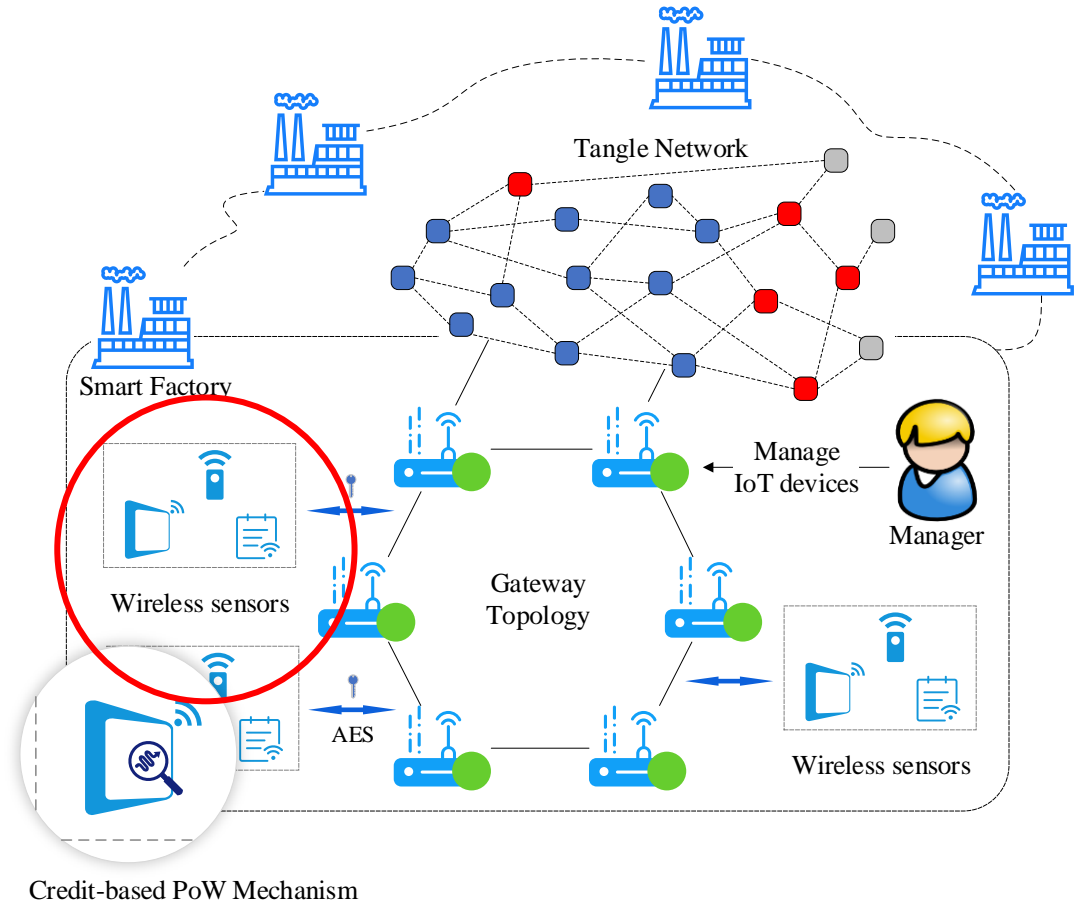
# B-IoT: System Overview

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



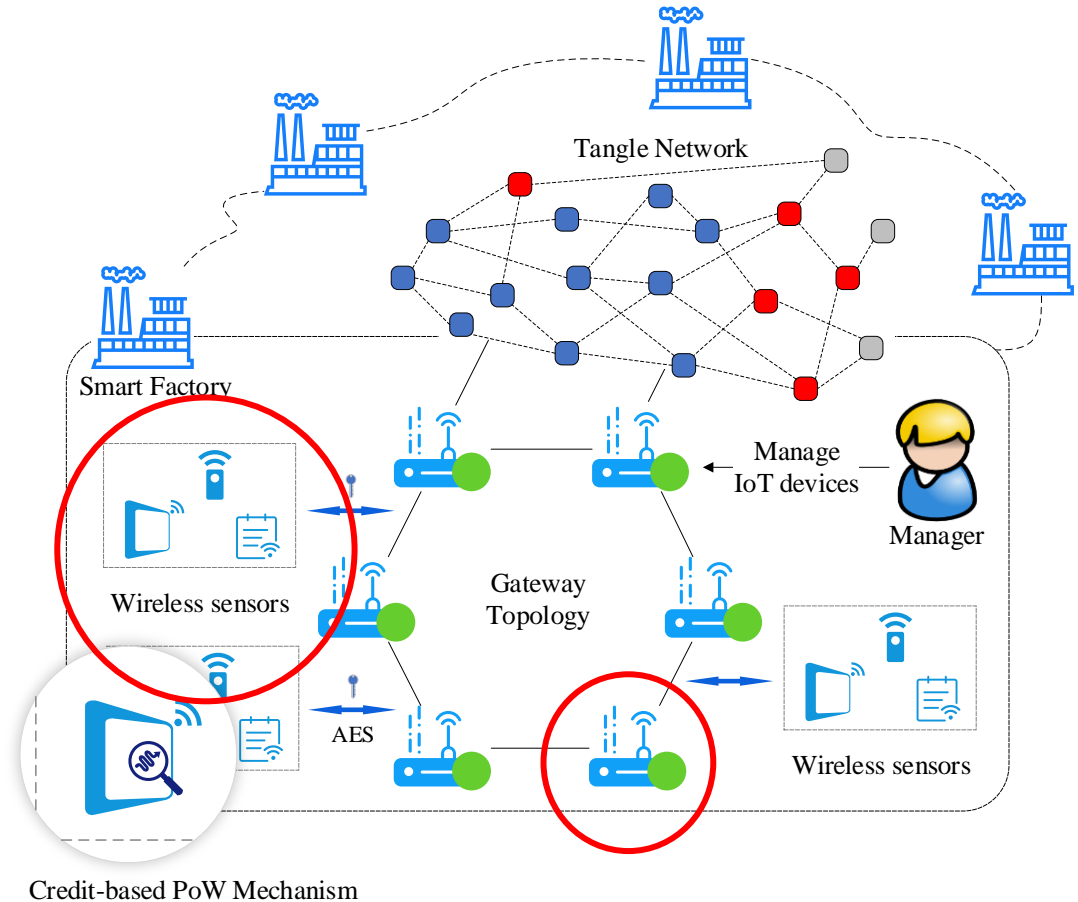
# B-IoT: System Overview

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



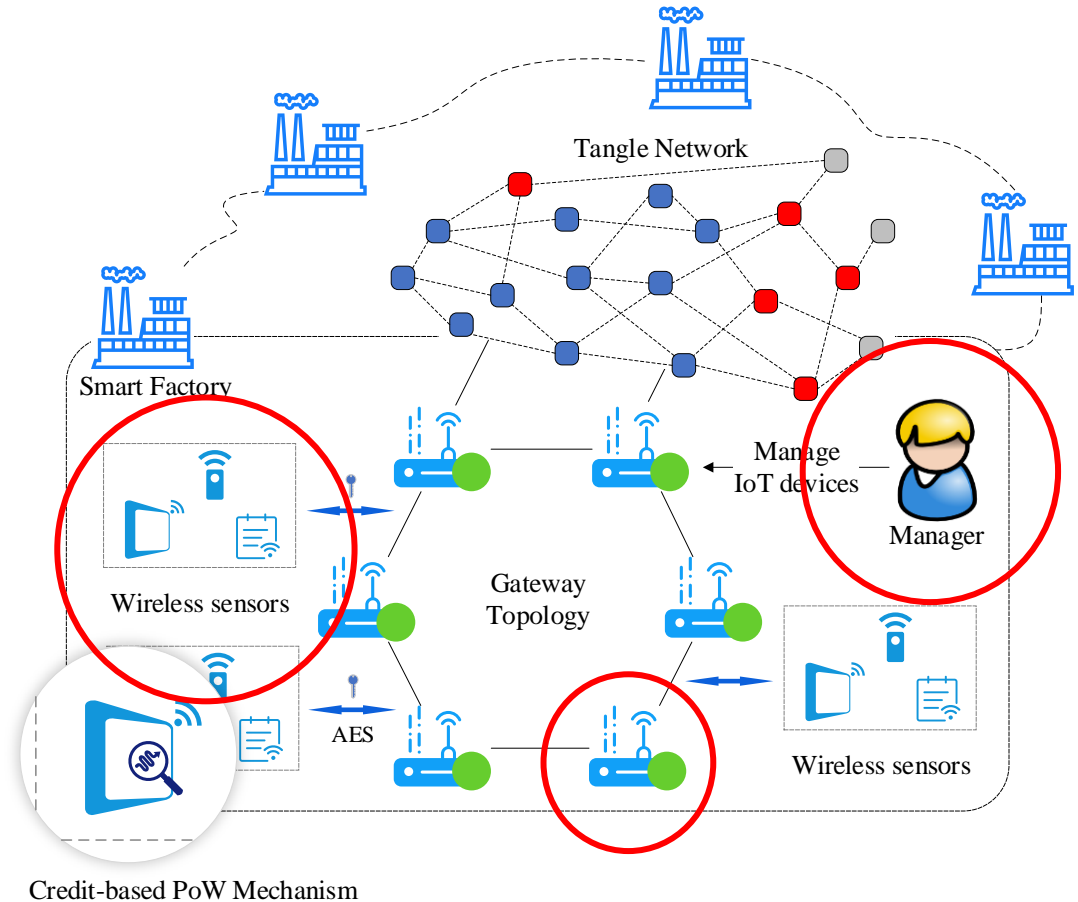
# B-IoT: System Overview

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



# B-IoT: System Overview

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



# Main Challenges

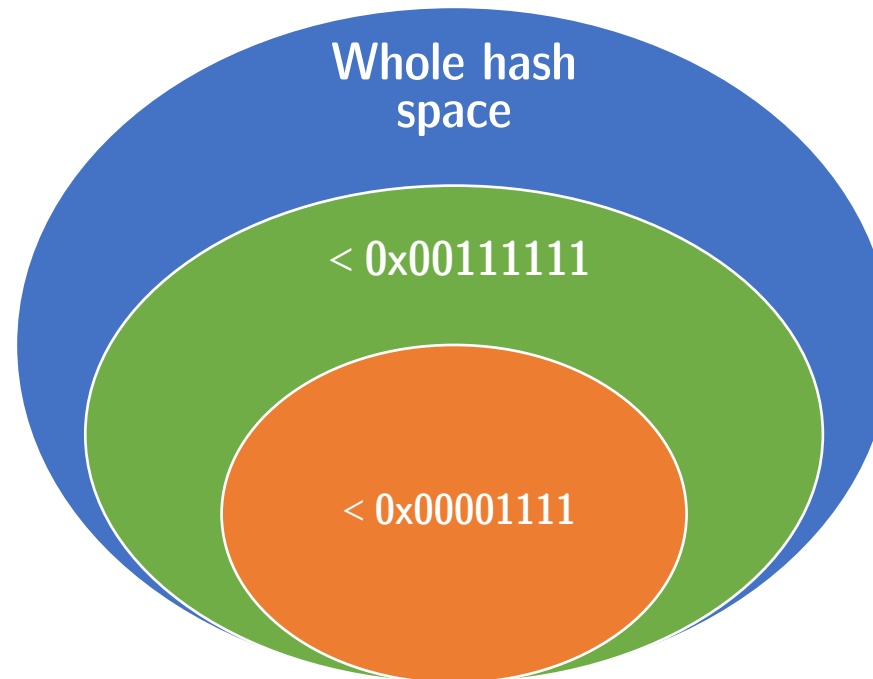
- The conflicts between high concurrency and low throughput
  - We explore a DAG-structured blockchain based solution
- The trade-off between efficiency and security
- The coexistence of transparency and privacy

# 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  $0x00000000 \sim 0xffffffff$

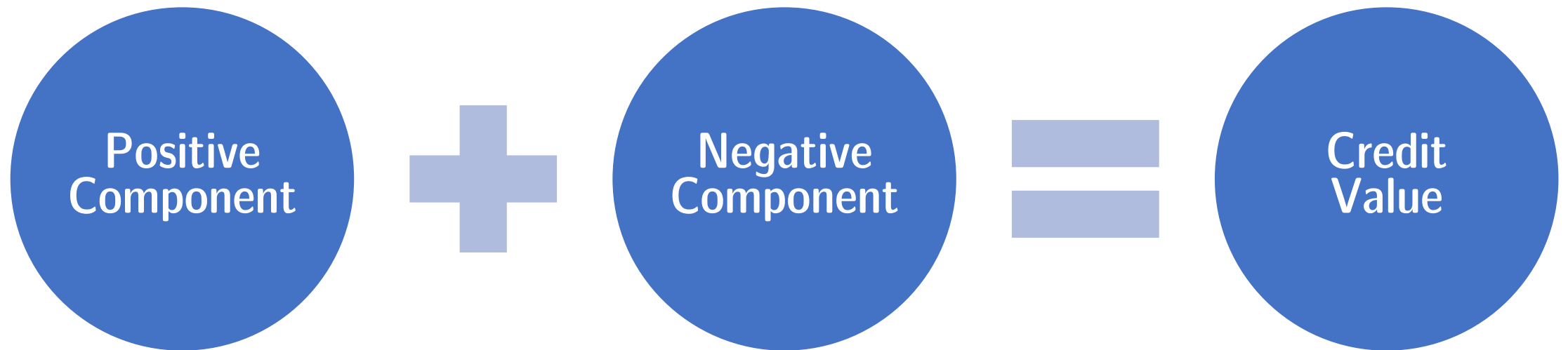




# Credit-Based PoW Mechanism

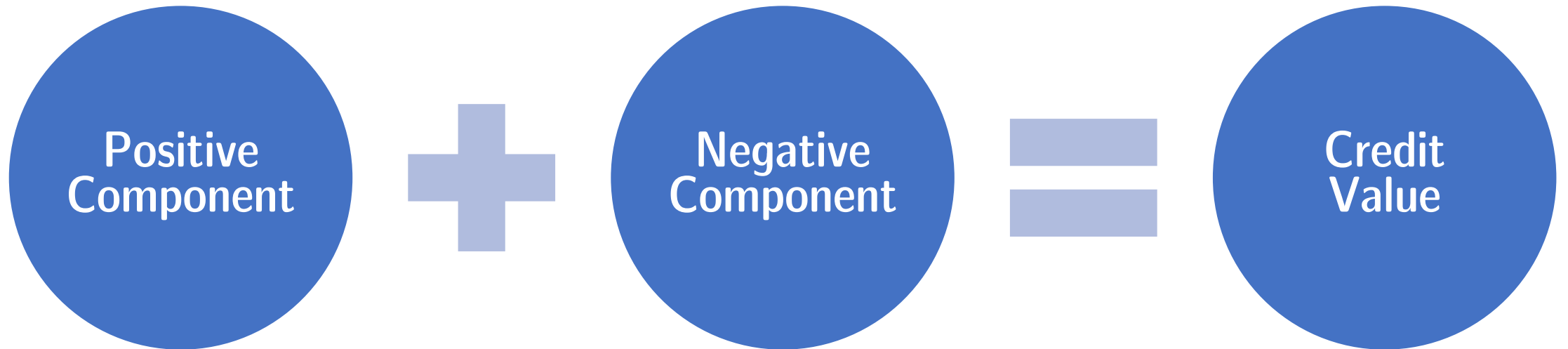


# Credit-Based PoW Mechanism



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

# Credit-Based PoW Mechanism



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

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

# Credit-Based PoW Mechanism

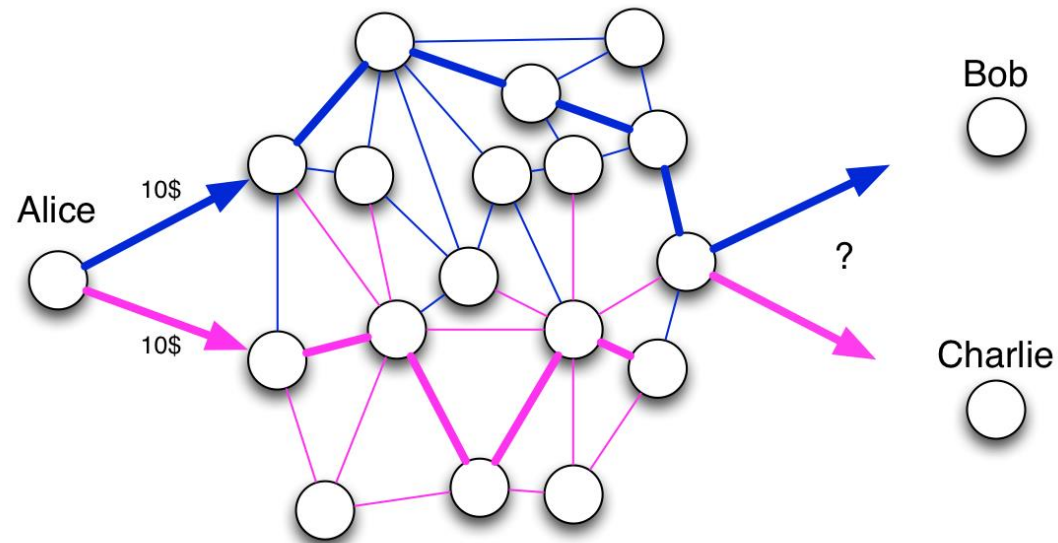


$$Cr_i^P = \frac{\sum_{k=1}^{n_i} w_k}{\Delta T}$$

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

# Malicious Behaviours

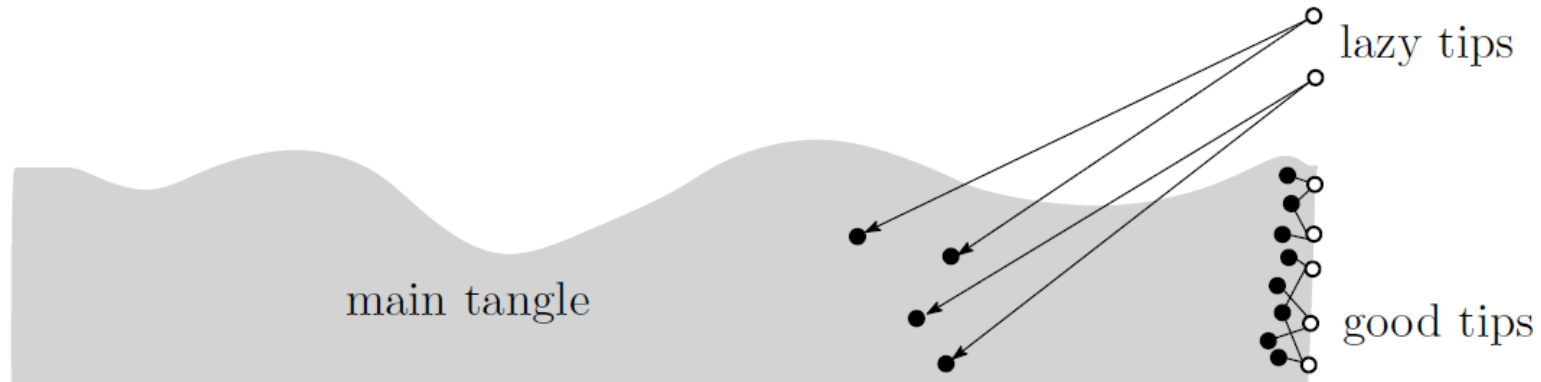
- Double-spending
- Lazy-tips



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

# Malicious Behaviours

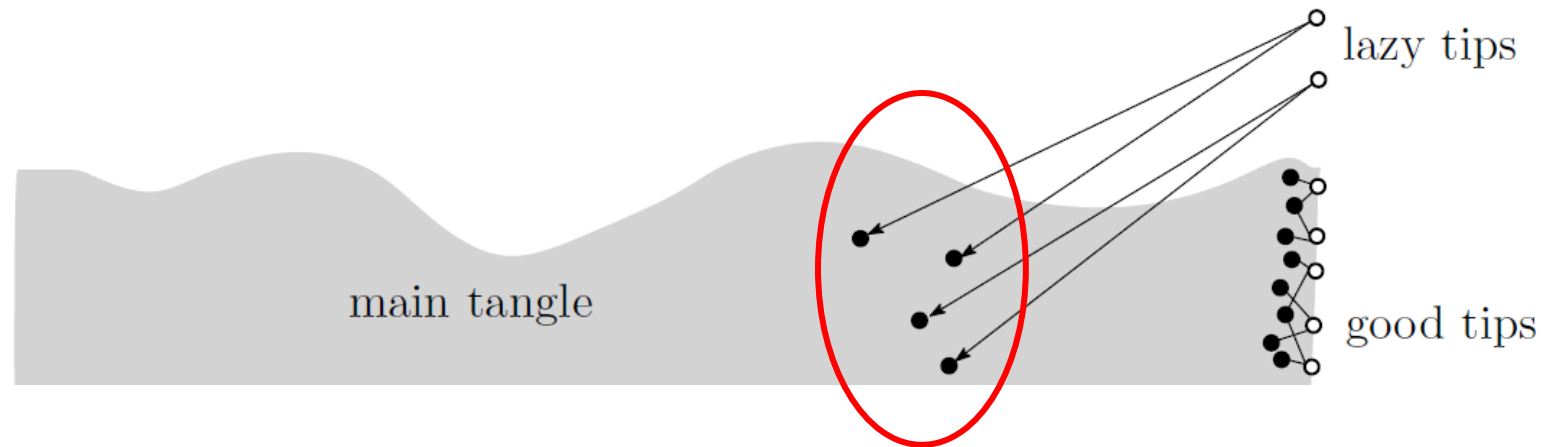
- Double-spending
- Lazy-tips



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

# Malicious Behaviours

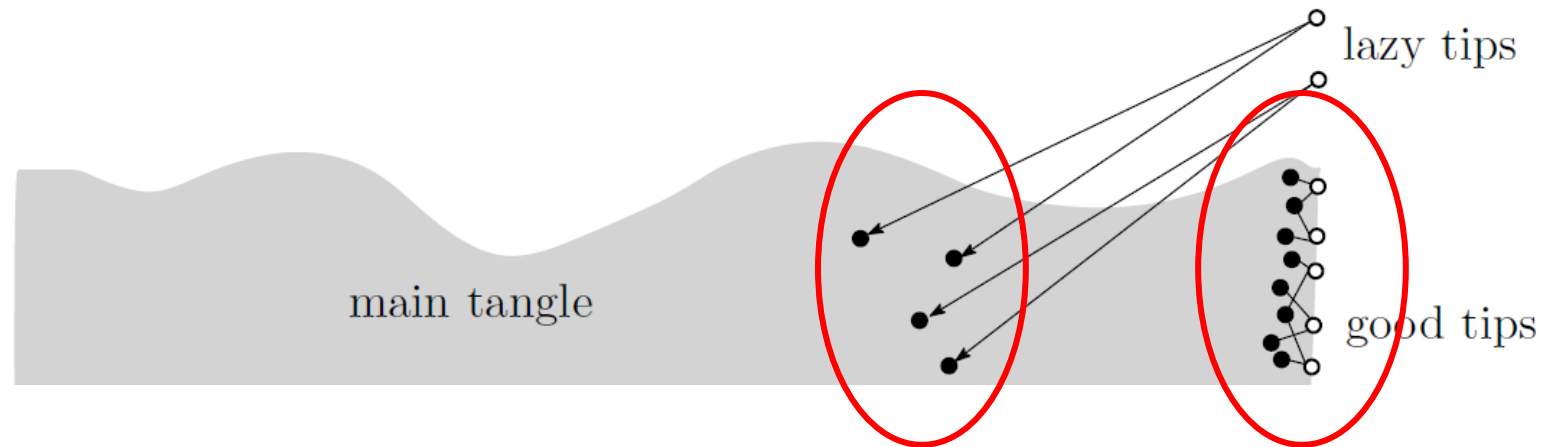
- Double-spending
- Lazy-tips



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

# Malicious Behaviours

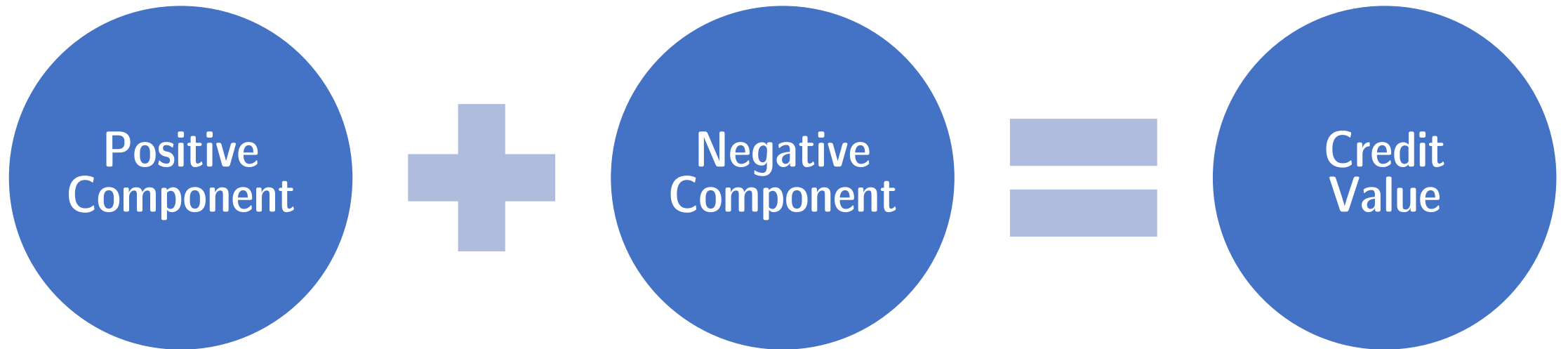
- Double-spending
- Lazy-tips



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



# Credit-Based PoW Mechanism



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

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

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

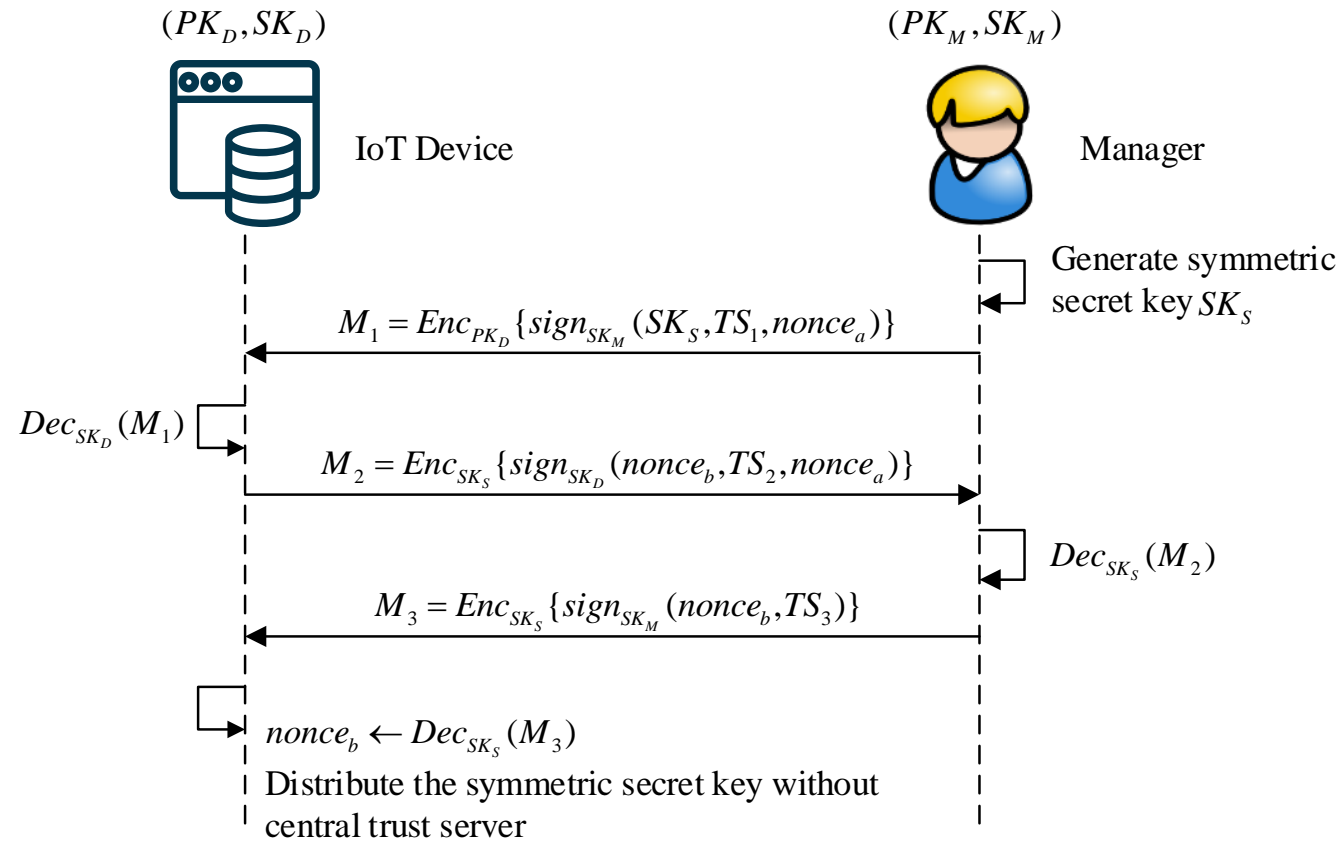
# Main Challenges

- 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

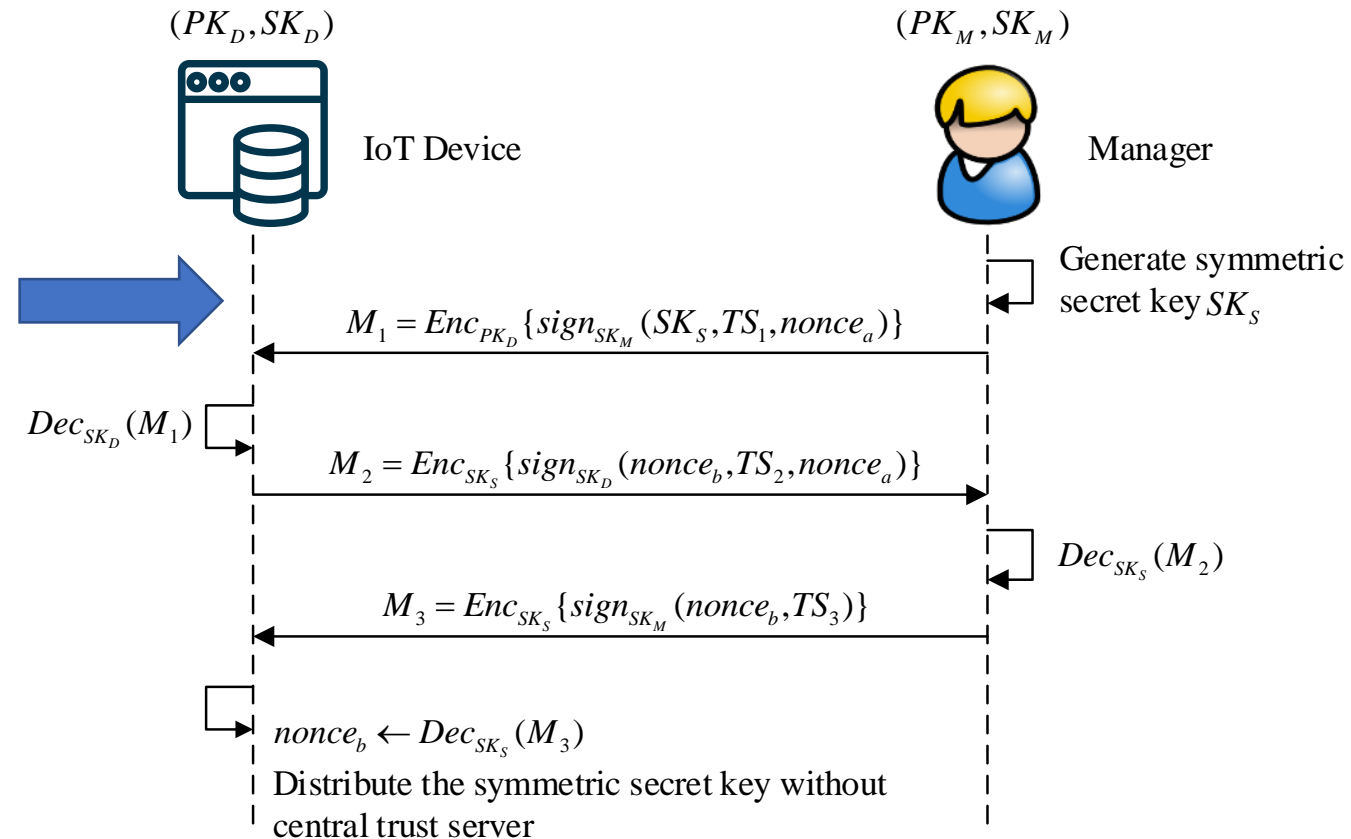
# Main Challenges

- 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

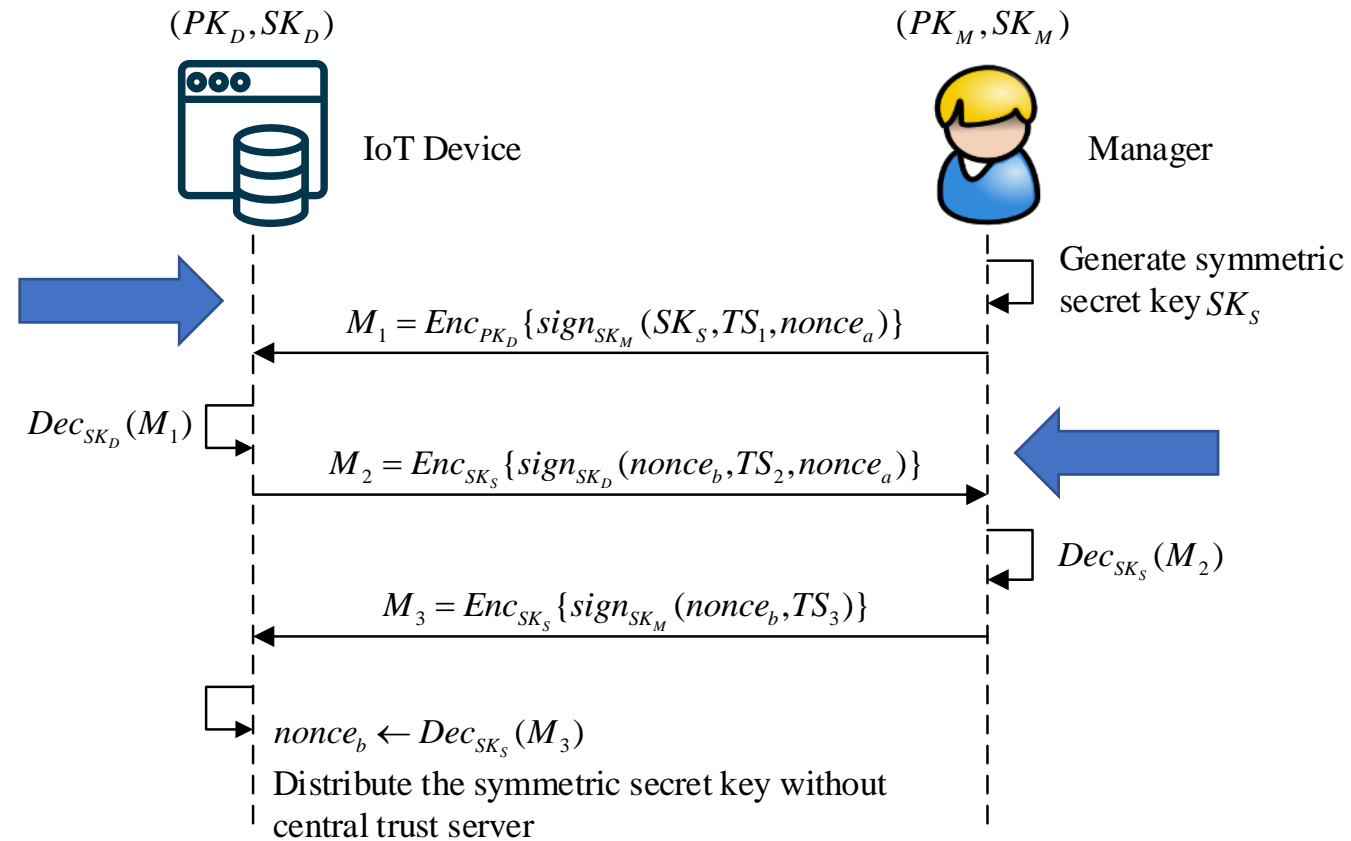
# Data Authority Management Method



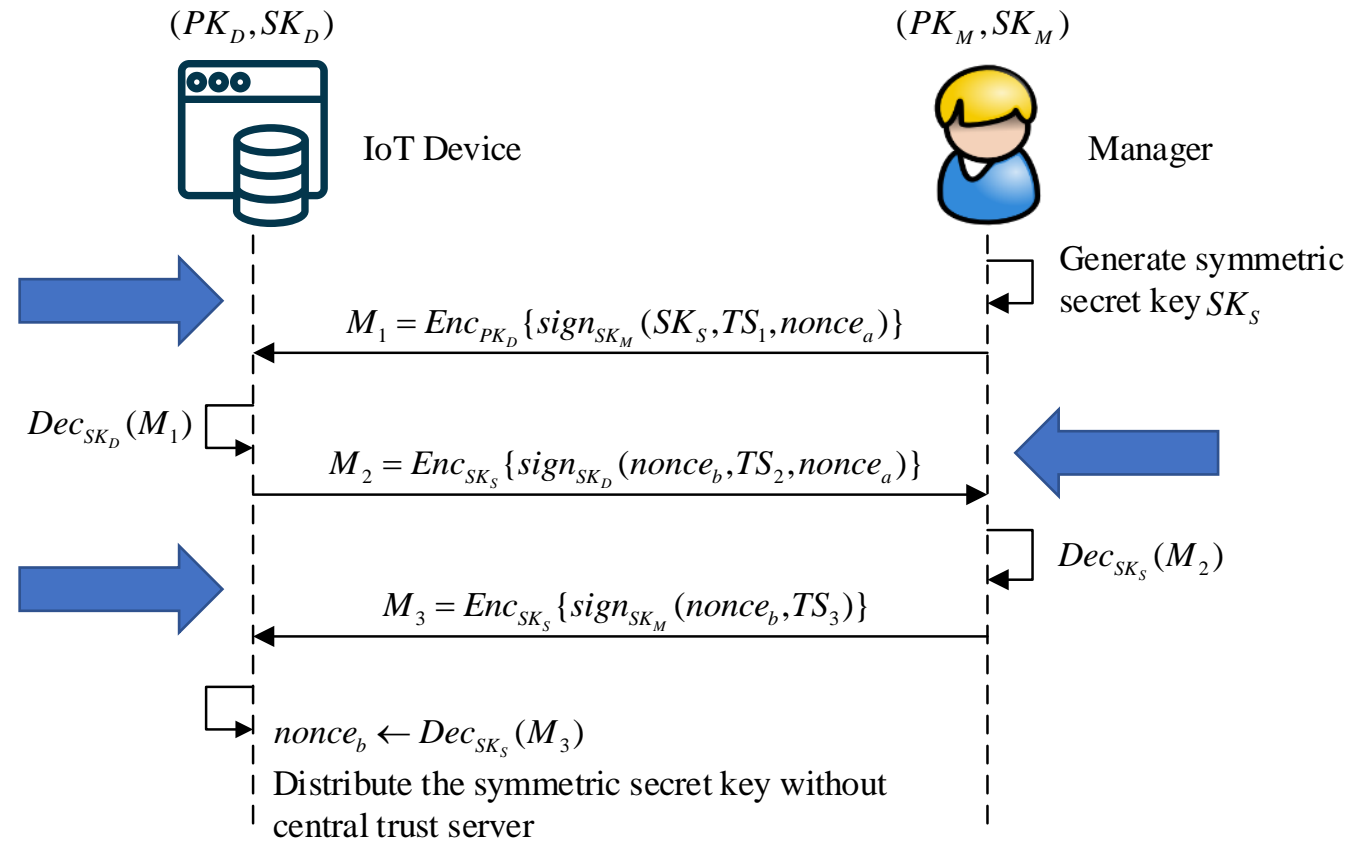
# Data Authority Management Method



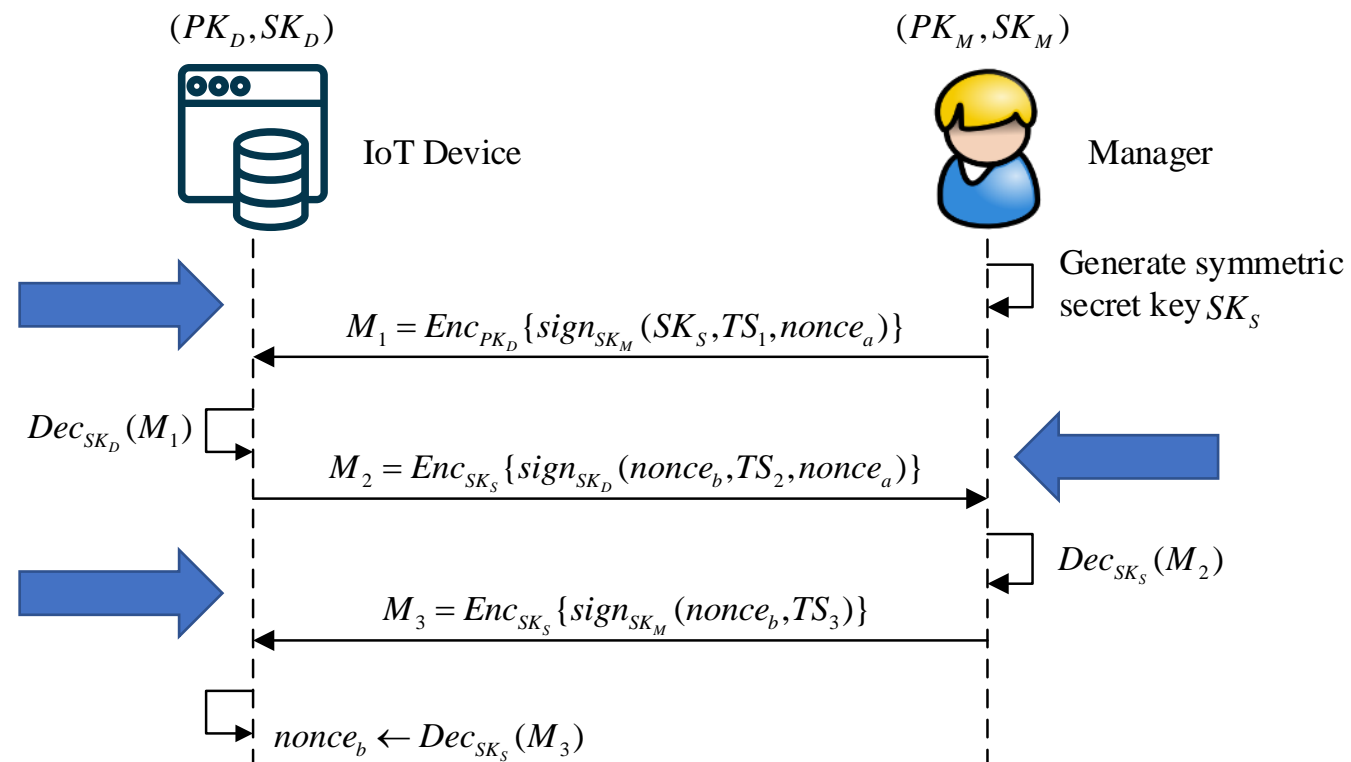
# Data Authority Management Method



# Data Authority Management Method



# Data Authority Management Method

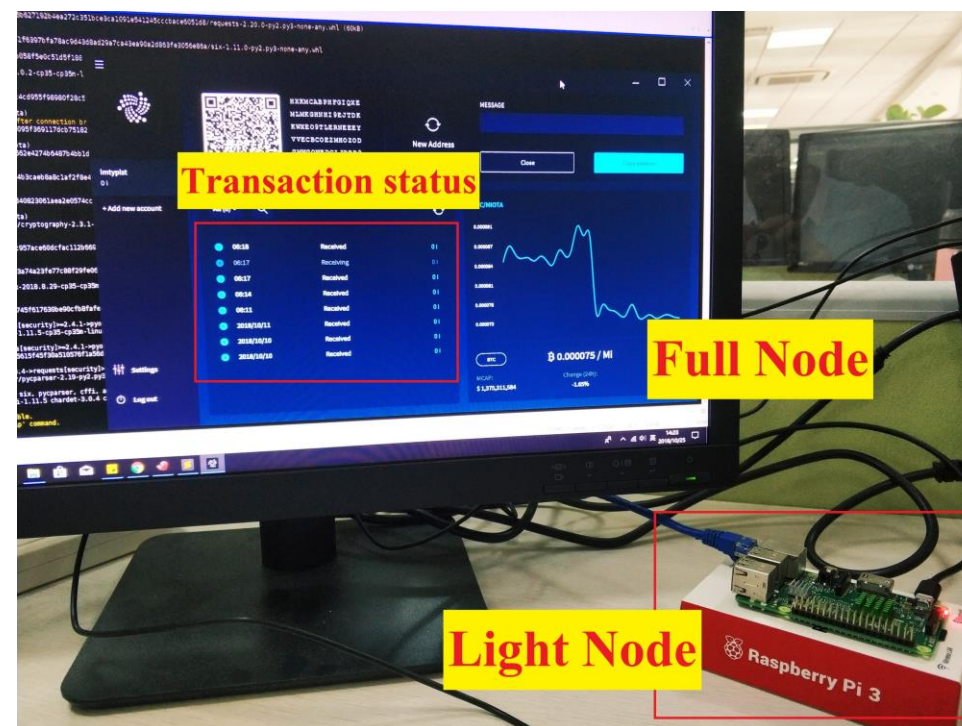


Distribute the symmetric secret key without the central trust server

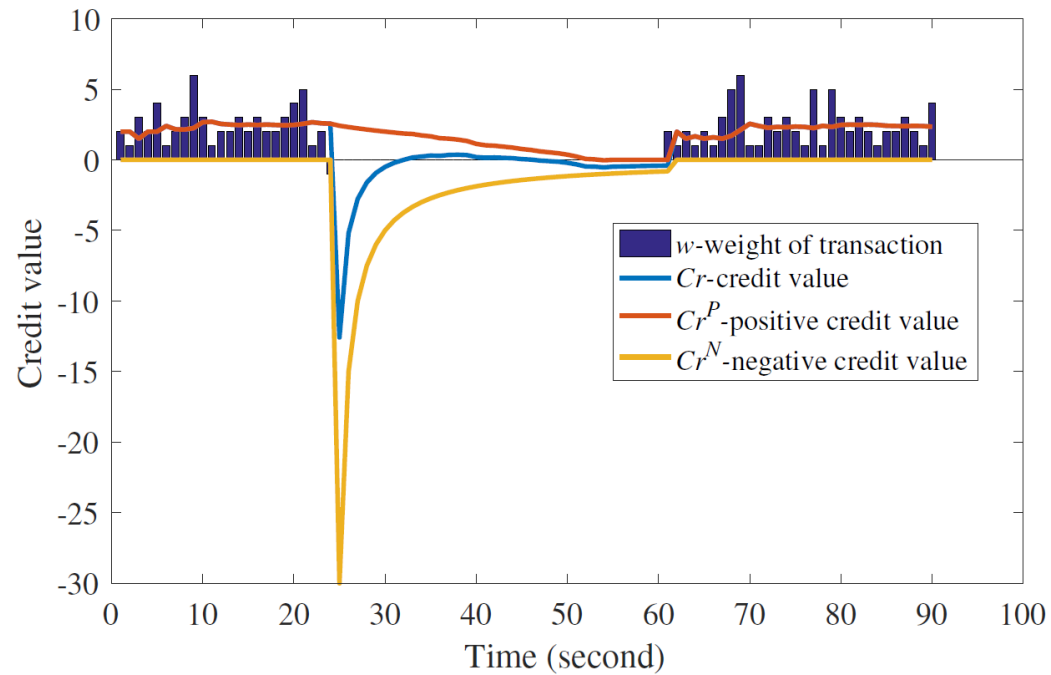


# Implementation

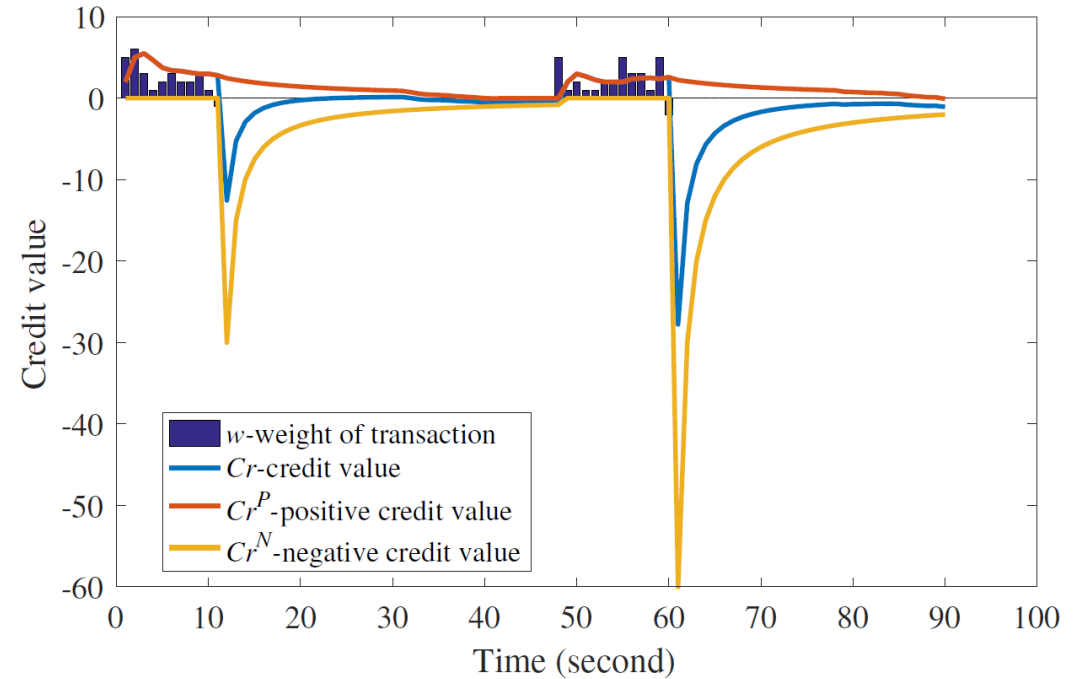
- Full nodes: manager & gateway
  - commercial computer
  - implemented based on IRI
  - SHA-256 & AES encryption
- Light nodes: IoT devices
  - Raspberry Pi Model 3B
  - implemented based on PyOTA
  - Extended with local PoW
  - AES encryption



# Performance in Credit-Based PoW

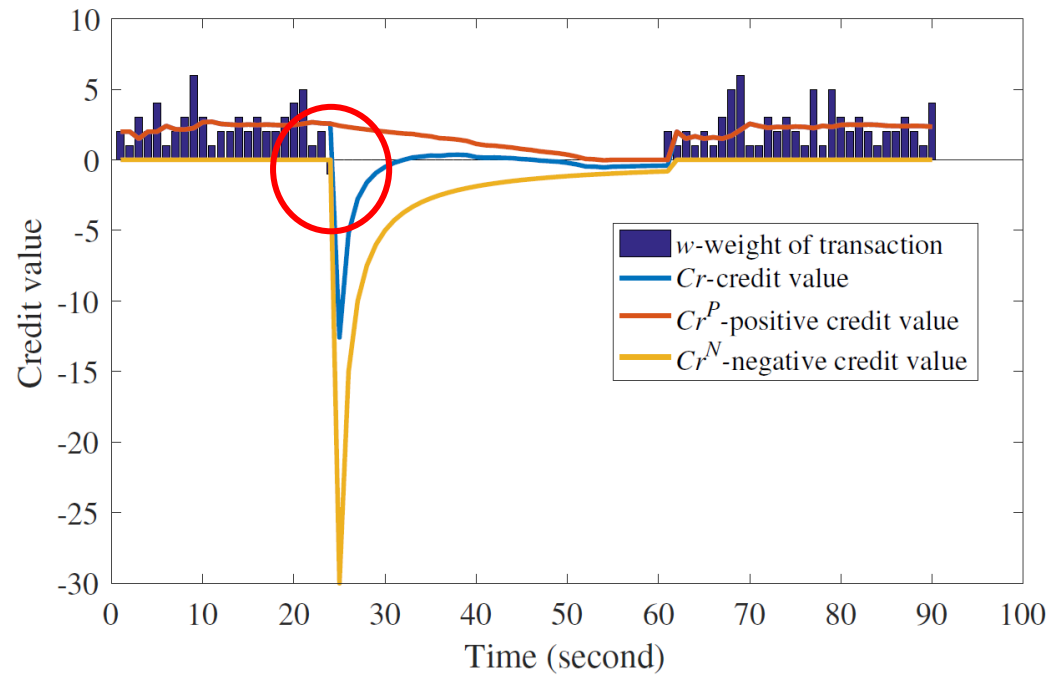


When one malicious attack happens

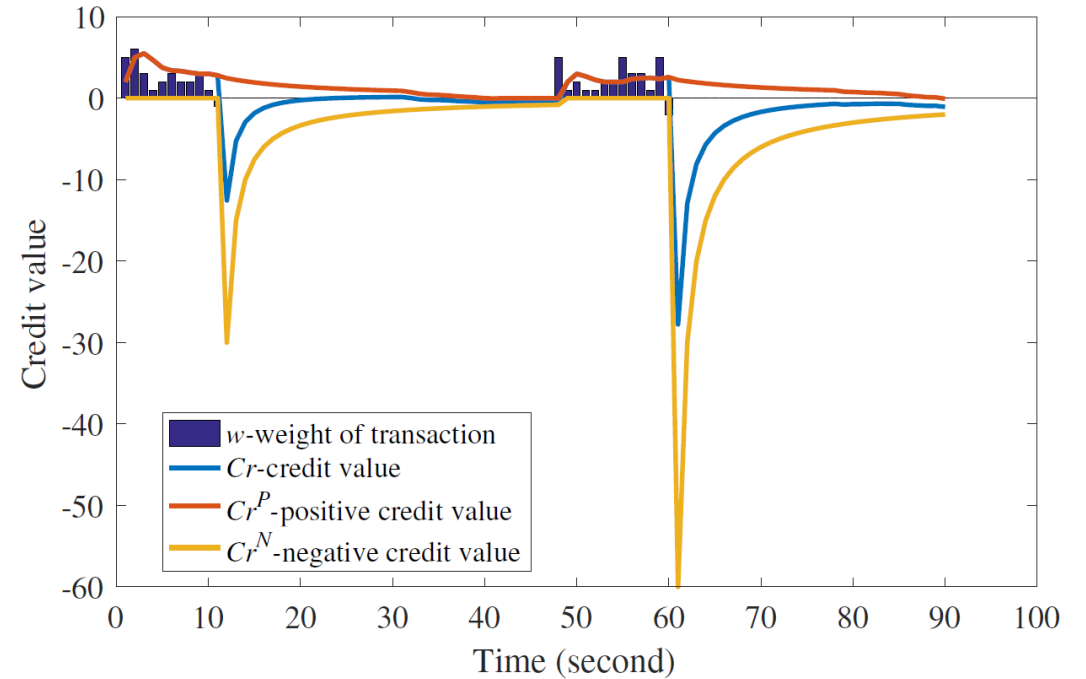


When two malicious attacks happen

# Performance in Credit-Based PoW

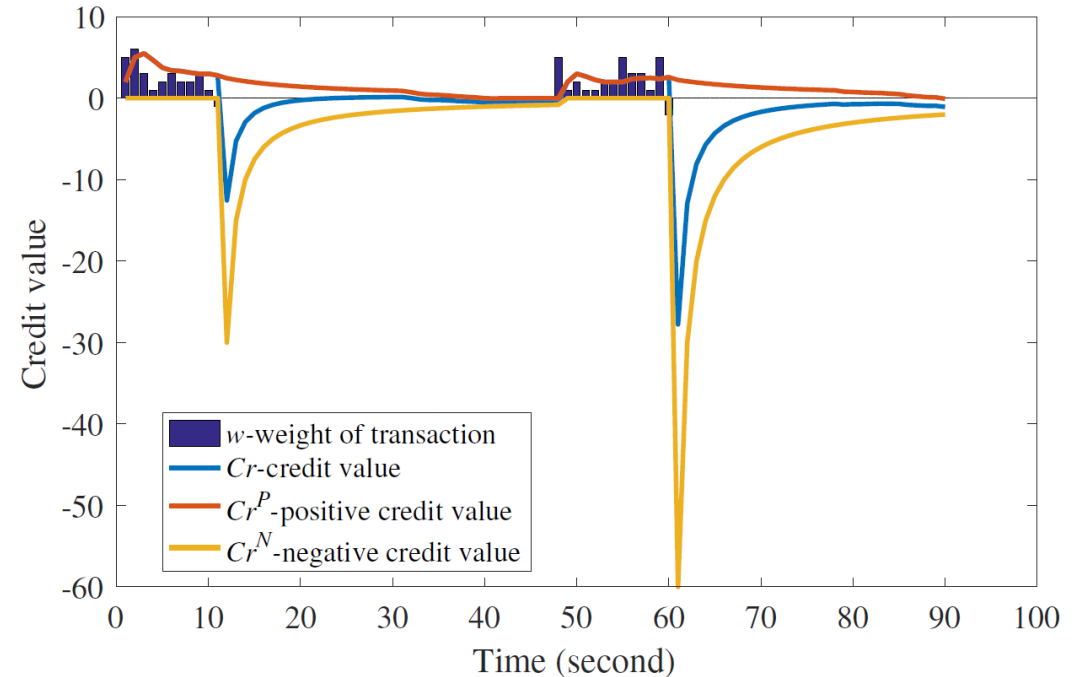
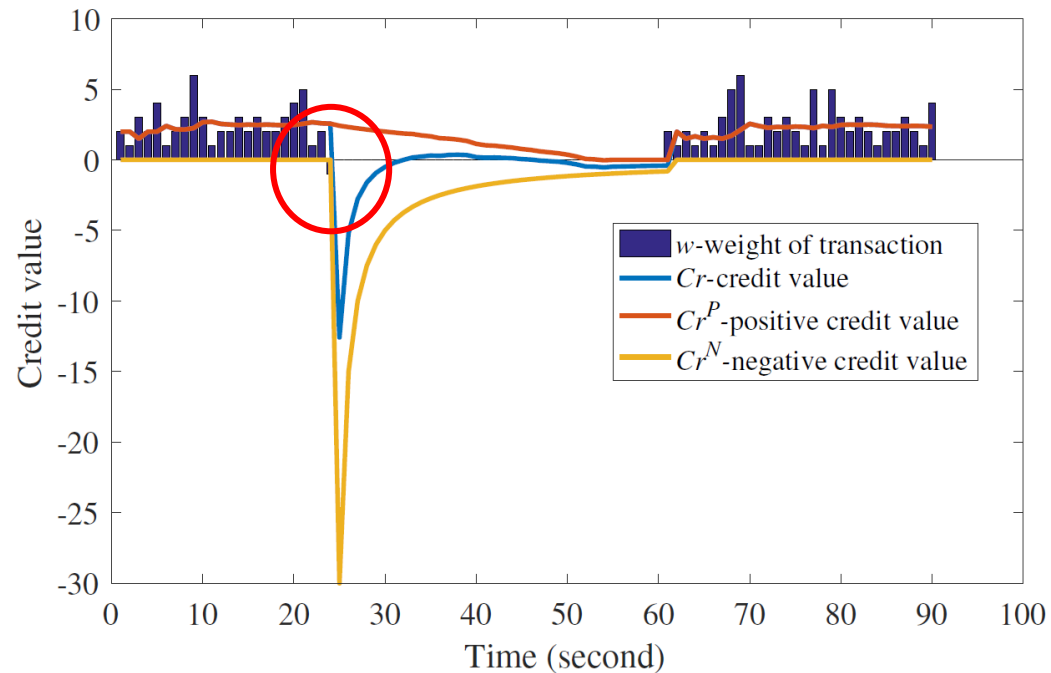


When one malicious attack happens



When two malicious attacks happen

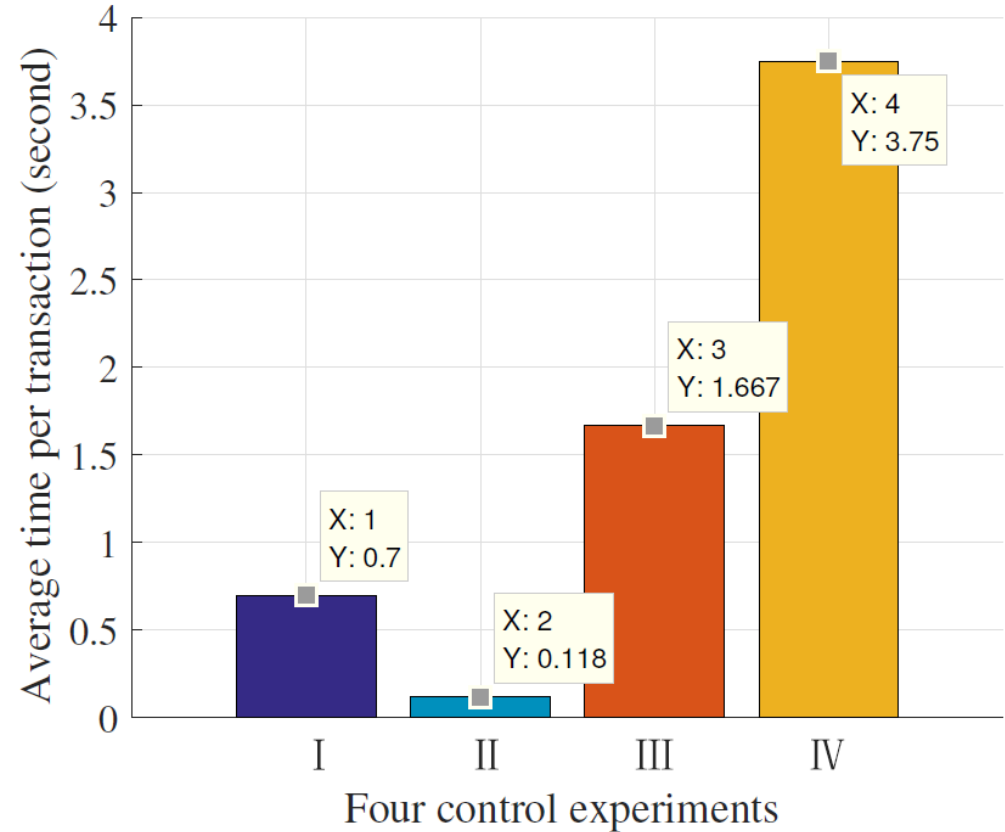
# Performance in Credit-Based PoW



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

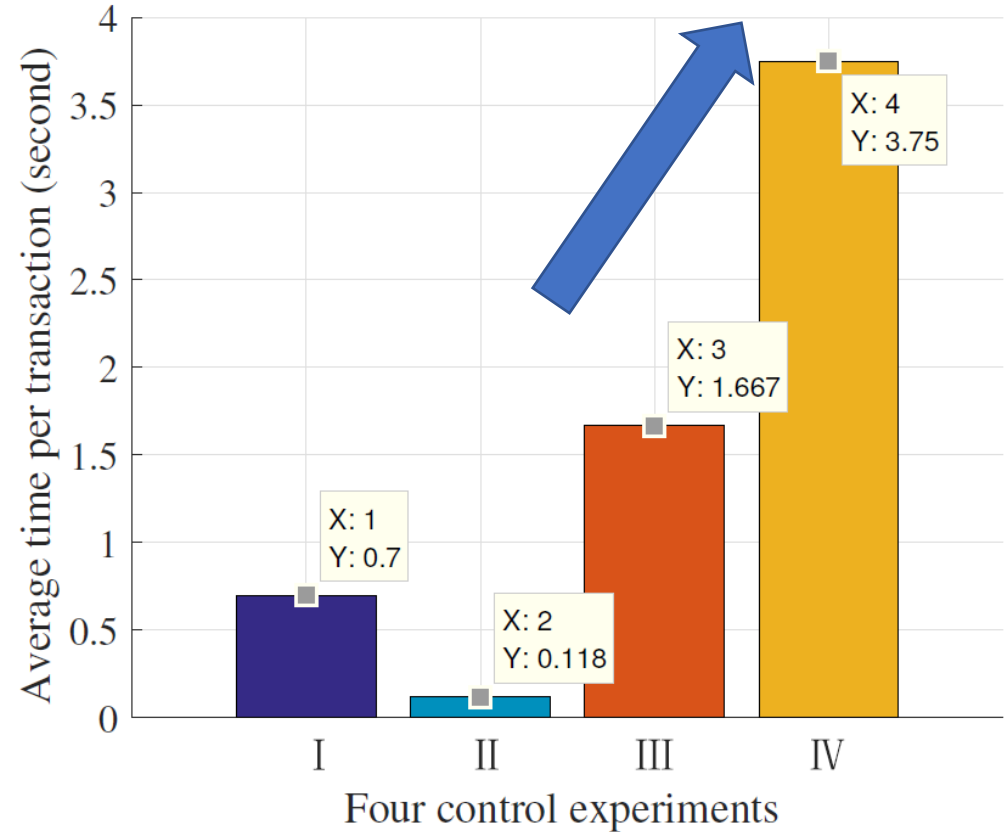
# Performance in Credit-Based PoW

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



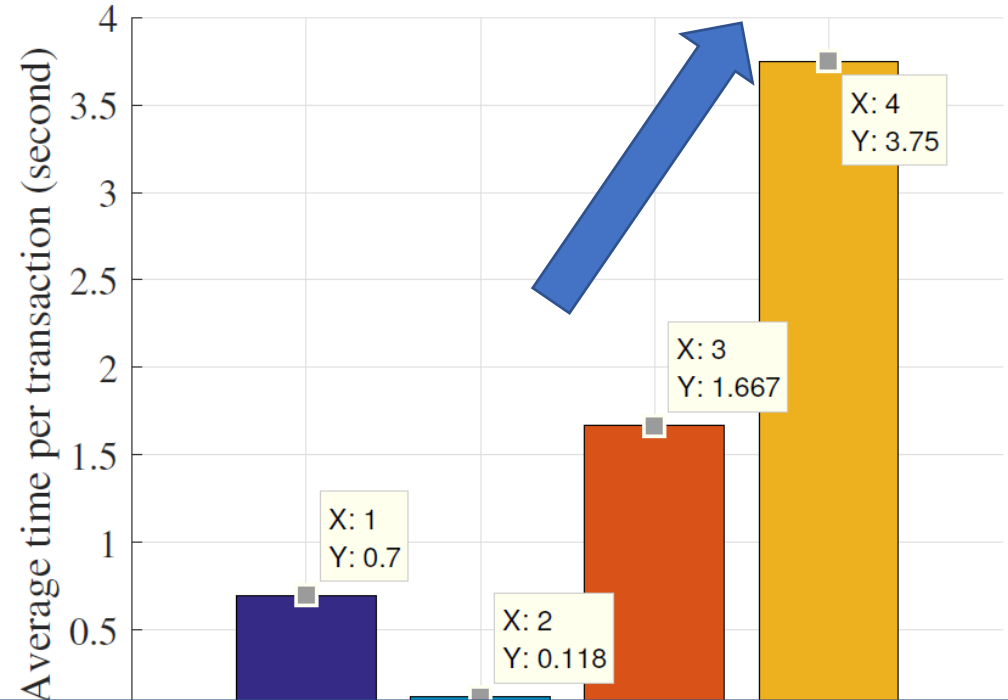
# Performance in Credit-Based PoW

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



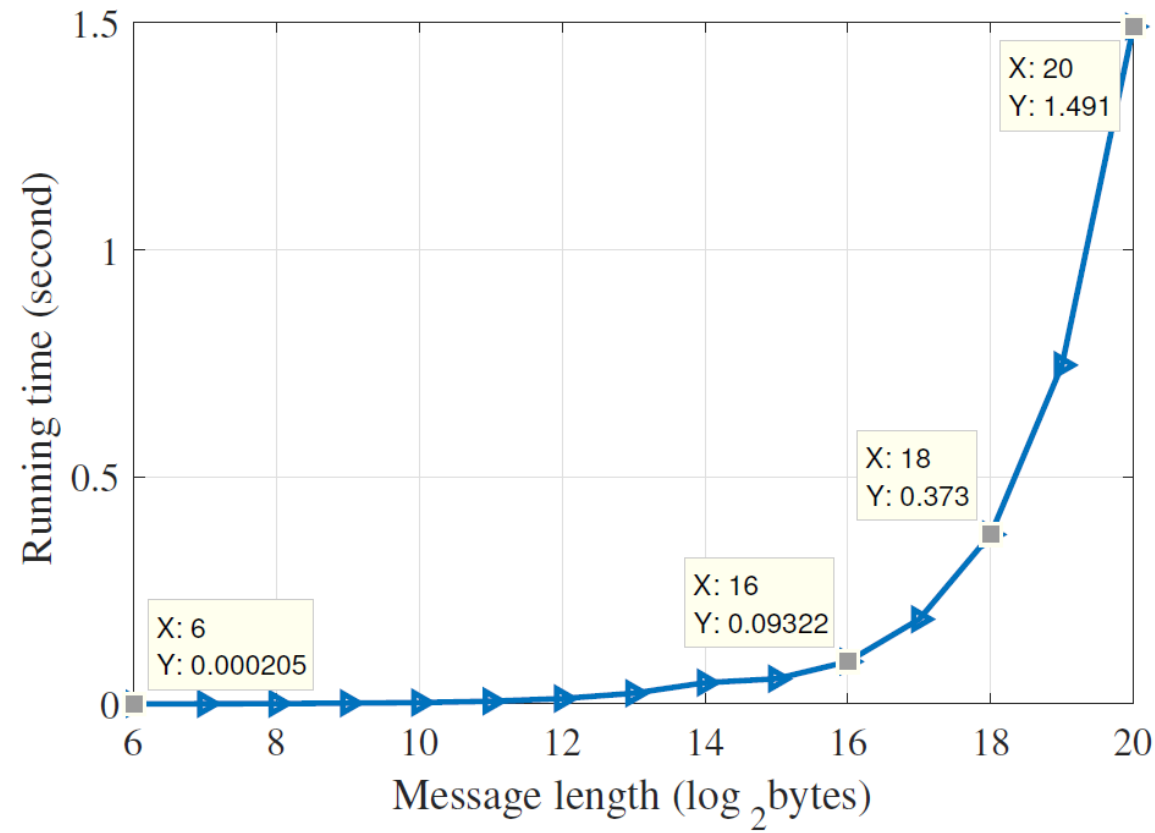
# Performance in Credit-Based PoW

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



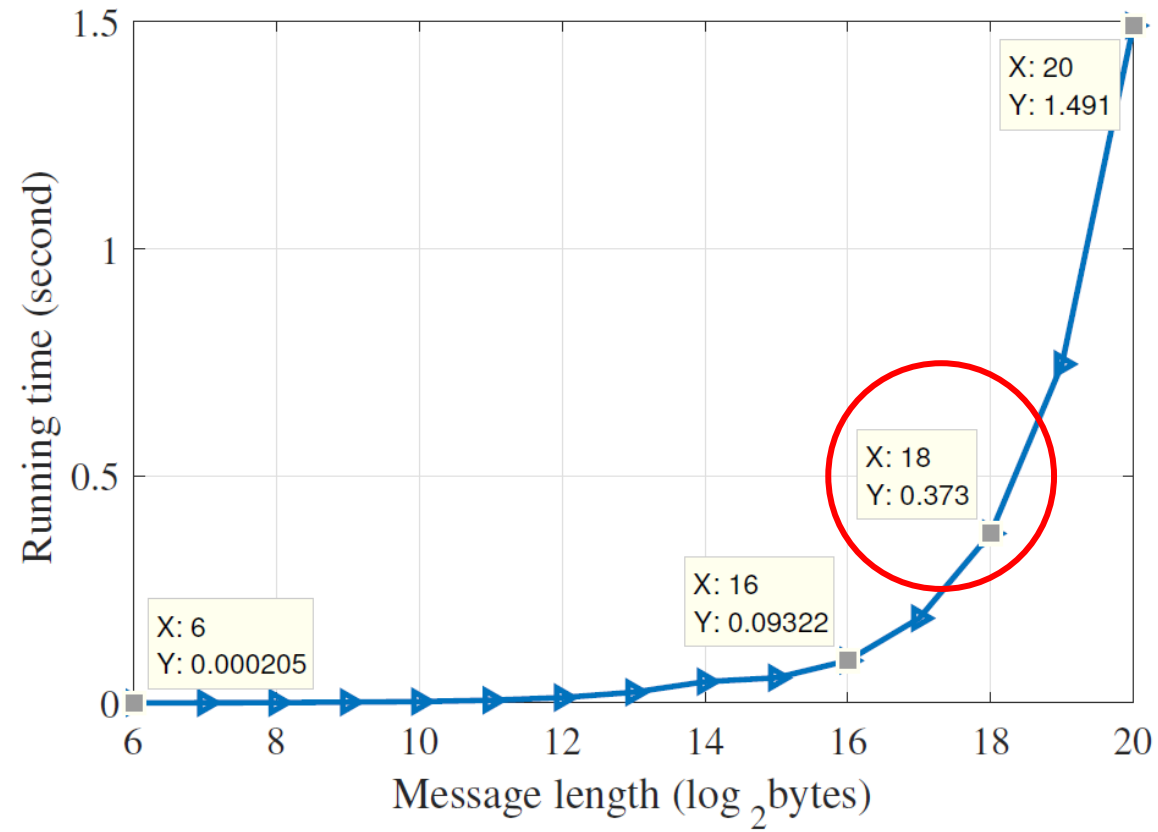
Credit-based PoW can speed up transactions for honest nodes, also can defend malicious attacks efficiently

# Efficiency of Data Authority Management

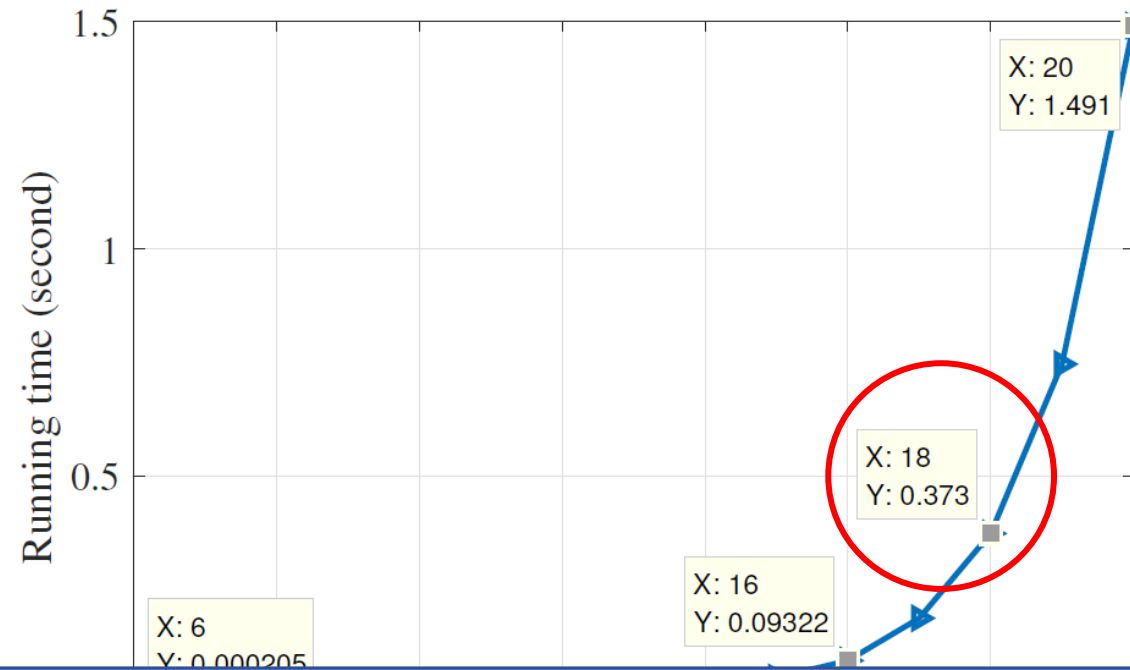




# Efficiency of Data Authority Management



# 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 for IoT
- 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