

# FITS: A Finite-Time Reputation System for Cooperation in Wireless Ad Hoc Networks

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**Abstract**—A wireless ad hoc network does not have an infrastructure, and thus, needs the cooperation of nodes in forwarding other nodes' packets. Reputation system is an effective approach to give nodes incentives to cooperate in packet forwarding. However, existing reputation systems either lack rigorous analysis, or have analysis in unrealistic models. In this paper, we propose FITS, the first reputation system that has rigorous analysis and *guaranteed* incentive compatibility in a *practical model*. FITS has two schemes: the first scheme is very simple, but needs a Perceived Probability Assumption (PPA); the second scheme uses more sophisticated techniques to remove the need for PPA. We show that both of these two FITS schemes have a subgame perfect Nash equilibrium in which the packet forwarding probability of every node is one. Experimental results verify that FITS provides strong incentives for nodes to cooperate.

**Index Terms**—Keywords ad hoc networks, incentive compatibility, routing, packet forwarding.

## 1 INTRODUCTION

A wireless ad hoc network does not have an infrastructure. In such a network, the cooperation of nodes is needed for forwarding other nodes' packets. If nodes do not forward each other's packets, the entire wireless ad hoc network cannot function properly. Nevertheless, in civilian ad hoc networks, nodes belong to different users, and thus, have their own interests. Consequently, we need to give nodes incentives to make them cooperative.

There are mainly two approaches to give nodes incentives: reputation-based systems and credit-based systems (see Section 7 for examples of these two types of systems). In this paper, we focus on the reputation-based approach, which is highly efficient and has been effectively applied to wireless ad hoc networks.

The existing works on reputation systems suffer from one of two problems. First, most of them (e.g., [4], [5], [12], [15], [16]) do *not* have rigorous analysis of incentive compatibility. Hence, it is not clear what guarantee for cooperation these reputation systems can provide. Second, although some other reputation systems [14], [19] do have rigorous analysis, their analyses are in *unrealistic models*. Therefore, in practice, their work cannot guarantee cooperation as well.

Specifically, the existing reputation systems which have rigorous analyses study the interaction between each pair of neighbor nodes, as an *infinite* repeated reputation game. Hence, their analyses of incentive compatibility can be valid

*only if* the reputation game between each pair of nodes continues infinitely. However, in reality, the games are finite. Therefore, even though their analyses are mathematically correct for an infinite repeated game, they do not really guarantee cooperation in a finite repeated game, i.e., in reality.

To see more clearly the problem caused by a finite repeated game, let us consider a simple example of two selfish neighbor nodes  $v_0$  and  $v_1$ . Suppose  $v_0$  knows that his game will end, say, after two hours (e.g., he is going to move out of the transmission range of his neighbors at that time). Recall that a finite repeated game consists of a finite number of stages. As a selfish node, his best strategy is to figure out the total number of stages in the repeated game and refuse to cooperate in the last stage, because no punishment can be made after that. Unfortunately, his neighbor  $v_1$  is as smart as him. She is also aware of his best strategy. Consequently, given the strategy of  $v_0$  that drops all packets of  $v_1$  in the last stage, the best strategy for  $v_1$  is not to cooperate in the last *two* stages, because no matter  $v_1$  cooperates or not, her own packets are not forwarded by  $v_0$  in the last stage, and if she chooses to not cooperate in the last two stages, no more punishment she will receive. This sounds pretty bad, but is still not the end of story. Considering the strategy of  $v_1$ ,  $v_0$  decides that he had better change his strategy to no cooperation in the last *three* stages. ... Therefore, we will have a *cascade* of no cooperation, until finally, both  $v_0$  and  $v_1$  decide not to cooperate in the entire game.

In fact, we can prove that not only the existing reputation systems, but also any reputation system designed in the traditional way will fail to provide incentive compatibility in the realistic model (see Theorem 1).

To overcome the difficulty in the realistic model, in this paper, we propose Finite-Time reputation System (FITS). It is the first reputation system that has a proof of incentive compatibility in a practical model. FITS uses a novel technique called *Threat To Interfere* (TTI). The idea of TTI

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Manuscript received 2 Dec. 2010; revised 27 Mar. 2010; accepted 11 Apr. 2010; published online 24 June 2010.

Recommended for acceptance by S. Fahmy.

For information on obtaining reprints of this article, please send e-mail to: [tc@computer.org](mailto:tc@computer.org), and reference IEEECS Log Number TC-2009-12-0600. Digital Object Identifier no. 10.1109/TC.2010.162.

is very simple. We allow a node to threaten to interfere with his neighbor's communications after a finite reputation game if his neighbor does not cooperate in the last stage of the game. In this way, the cascade of no cooperation is prevented from its very beginning. Hence, all nodes will cooperate in the entire reputation games, and thus, *no real interference is needed*. (For more details, see Section 4.)

Our contributions are briefly summarized below:

- First, we show that traditional reputation systems *cannot* provide any Subgame Perfect Nash Equilibrium (SPNE) solution in a finite reputation game. Therefore, it is necessary to enhance the reputation system approach.
- Second, we enhance the reputation system approach by introducing the novel TTI technique. Using this technique, we design the FITS-D scheme and show that when the FITS-D scheme is used, under an assumption called Perceived Probability Assumption (PPA), there is an SPNE in which the forwarding probabilities of all nodes are close to one.
- Third, we also propose the FITS-I scheme, which does not need the PPA. Without the PPA, we show that it also has an SPNE in which the forwarding probabilities of all nodes are close to one.
- Finally, experiments verify that our FITS schemes provide strong incentives for nodes to cooperate.

The rest of this paper is organized as follows: Section 2 presents technical preliminaries. In Section 3, we show that traditional reputation systems cannot provide SPNE solutions when the reputation game has a finite number of stages. In Sections 4 and 5, we present the FITS-D and FITS-I schemes, respectively. Evaluation results are presented in Section 6, while related works are discussed in Section 7. We conclude in Section 8.

## 2 TECHNICAL PRELIMINARIES

In this paper, we study a wireless ad hoc network in which the nodes are in promiscuous mode. That is, each node can hear the transmissions of its neighbors. Furthermore, each link in this network is bidirectional. That is, if a node can receive packets from another node, then the latter node can also receive packets from the former node. Like in [14], we assume that nodes are selfish *not malicious*. That is, each node is interested only in maximizing its own utility.

Same as in a lot of previous works [12], [14], [15], [19], we consider a *hop-by-hop* reputation system and isolate each pair of neighbors  $(v_0, v_1)$ . We study the *reputation game* between them. (What we describe in the rest of this section is the *basic model* of the reputation game, which is used to model *traditional reputation systems* in this paper. In Section 4, the model is extended so that it can model reputation systems using a newly introduced technique.) The reputation game is divided into  $T$  stages, where  $T > 0$  is a finite number. In each stage, a sufficiently large number of packets are transmitted between  $v_0$  and  $v_1$ .

Formally, our reputation game is a finite repeated game. The players of this game are the pair of neighbor nodes  $v_0$  and  $v_1$ . In each stage of the game, there is an action set available to player  $v_i$  ( $i \in \{0, 1\}$ ):  $A_i = \{a_i | 0 \leq a_i \leq 1\}$ . In stage  $t$ , player  $v_i$  chooses an action  $a_{i,t}$  from  $A_i$ . Intuitively,

$a_{i,t}$  is the probability that  $v_i$  forwards  $v_{1-i}$ 's packets in stage  $t$ . The utility of player  $v_i$  in stage  $t$  is decided by the actions of both players:

$$u_{i,t} = a_{1-i,t}u - a_{i,t}c,$$

where  $u$  is the amount of benefit player  $v_i$  can receive if all its packets are forwarded by  $v_{1-i}$  in the entire stage, and  $c$  is the amount of cost needed by  $v_i$  for forwarding all  $v_{1-i}$ 's packets in the entire stage. In this paper, we assume that all nodes have the same  $(u, c)$  in all stages. Clearly,  $u > c > 0$ .

The utility of player  $v_i$  in the entire reputation game is the sum of its utilities in all stages:

$$u_i = \sum_{t=1}^T u_{i,t}.$$

Note that  $u_i$  is a function of the two players' actions in all stages, sometimes written as  $u_i((a_{0,1}, a_{1,1}), \dots, (a_{0,T}, a_{1,T}))$ . However, unlike in a standard repeated game, in our reputation game, the actions of each player are *invisible* to the other player. That is, player  $v_i$  cannot directly see player  $v_{1-i}$ 's actions  $a_{1-i,t}$  (for  $t = 1, \dots, T$ ), because there are collisions. Suppose  $p_c$  is the probability that a packet forwarded by  $v_i$  cannot be overheard by  $v_{1-i}$  due to collision. (As in previous work, we assume that all nodes have the same  $p_c$  in all stages.) Then, what player  $v_i$  can see in stage  $t$  is a *perceived probability* that player  $v_{1-i}$  forwards its packets:

$$\hat{a}_{1-i,t} = (1 - p_c)a_{1-i,t}.$$

In the basic model, we also call  $\hat{a}_{1-i,t}$  the perceived action of player  $v_{1-i}$ . Previous work [14] has introduced an assumption that we call the *PPA*: both players ( $v_0$  and  $v_1$ ) can see both perceived actions ( $\hat{a}_{0,t}$  and  $\hat{a}_{1,t}$ ) in every stage. Note that here, the *actions* refer to the actions (i.e., forwarding probabilities) defined in the finite repeated game. In this paper, our FITS system has two schemes: FITS-D which uses the PPA, and FITS-I which does not.

Consequently, our definition of strategy is also different from that in a standard repeated game. Based on whether the PPA assumption is used or not, we distinguish two types of strategies: PPA-dependent strategies and PPA-independent strategies. Here, a PPA-dependent strategy  $s_i$  for player  $v_i$  is a function defined on all possible histories of both players' perceived actions in stages 1 through  $t$ , where  $t \leq T - 1$ , together with other information  $v_i$  obtains in these stages. For each such history,  $s_i$  specifies an action for player  $v_i$  to take in the next stage. Formally, if  $v_i$  uses strategy  $s_i$ , the action  $v_i$  should take in stage  $t + 1$  is  $s_i((\hat{a}_{i,1}, \hat{a}_{1-i,1}, I_{i,1}), \dots, (\hat{a}_{i,t}, \hat{a}_{1-i,t}, I_{i,t}))$ , where  $(\hat{a}_{i,1}, \hat{a}_{1-i,1}), \dots, (\hat{a}_{i,t}, \hat{a}_{1-i,t})$  are the perceived actions of the two players in the first  $t$  stages, and  $(I_{i,1}, \dots, I_{i,t})$  is other information  $v_i$  obtains from  $v_{1-i}$  about its forwarding probabilities in stages 1 through  $t$ . (If there is no other information,  $(I_{i,1}, \dots, I_{i,t}) = (\perp, \dots, \perp)$ , where  $\perp$  is a special symbol denoting no information.) In particular, in the first stage, the history is an empty history (also denoted by  $\perp$ ). Thus,  $s_i(\perp)$  is the action  $v_i$  should take in the first stage if  $v_i$  is using PPA-dependent strategy  $s_i$ .

Besides PPA-dependent strategies, we also study PPA-independent strategies. Here, a PPA-independent strategy  $s_i$  for player  $v_i$  is a function defined on all possible histories

of  $v_i$ 's own actions and  $v_{1-i}$ 's perceived actions in stages 1 through  $t$ , where  $t \leq T - 1$ , together with other information  $v_i$  obtain in these stages. For each such history,  $s_i$  specifies an action for player  $v_i$  to take in the next stage. Formally,  $s_i((a_{i,1}, \hat{a}_{1-i,1}, I_{i,1}), \dots, (a_{i,t}, \hat{a}_{1-i,t}, I_{i,t}))$  is the action  $v_i$  should take in stage  $t + 1$  if  $v_i$  is using strategy  $s_i$ , where  $(a_{i,1}, \dots, a_{i,t})$  are the actions taken by  $v_i$  in the first  $t$  stages, and  $(\hat{a}_{1-i,1}, \dots, \hat{a}_{1-i,t})$  are the perceived actions of  $v_{1-i}$  in the first  $t$  stages. Note that as we have mentioned,  $(I_{i,1}, \dots, I_{i,t})$  is other information  $v_i$  obtains in stage 1 through  $t$ ; it does not include the perceived probabilities. In particular,  $s_i(\perp)$  is the action  $v_i$  should take in the first stage if  $v_i$  is using PPA-independent strategy  $s_i$ .

Let  $s = (s_0, s_1)$  be a profile of PPA-dependent or PPA-independent strategies. If the two players are using this strategy profile, then the actions they take in all strategies can be easily determined. These actions are called the *outcome* of  $s$ , denoted by  $O(s)$ . The utility of player  $v_i$  when  $s$  is used by the two players is defined as the utility of  $v_i$  when  $O(s)$  are taken by the two players. Denote this utility by  $u_i(s)$ . Consequently,  $u_i(s) = u_i(O(s))$ .

## 2.1 SPNE and One Deviation Theorem

The main objective of this paper is to design a system that converges to an SPNE in which both players forward packets with probability 1. To define SPNE, we first briefly review the definition of subgame.

A subgame of our reputation game starts in stage  $t_0$  ( $1 \leq t_0 \leq T$ ) of the reputation game and ends in stage  $T$  of the reputation game. Hence, a subgame can be viewed as a finite repeated game of  $T - (t_0 - 1)$  stages. We can identify a subgame with its *initial history*, i.e., what happened in stages 1 through  $t_0 - 1$ . Suppose the initial history is  $h = ((a_{0,1}, a_{1,1}), \dots, (a_{0,t_0-1}, a_{1,t_0-1}))$ . Then, the corresponding subgame is denoted by  $\Gamma(h)$ .

The players of  $\Gamma(h)$  are the two players of the reputation game,  $v_0$  and  $v_1$ ; the action set available to each player in the subgame is also the same as that in the reputation game. The utility of player  $v_i$  in the subgame  $\Gamma(h)$  is the sum of  $v_i$ 's utilities in all stages of  $\Gamma(h)$ :

$$u_{i,\Gamma(h)} = \sum_{t=t_0}^T u_{i,t}.$$

Since  $u_{i,\Gamma(h)}$  can be determined by the actions taken in stages  $t_0$  through  $T$ , or by the strategy profile the two players use, we can write it as  $u_{i,\Gamma(h)}((a_{0,t_0}, a_{1,t_0}), \dots, (a_{0,T}, a_{1,T}))$  or  $u_{i,\Gamma(h)}(s_0, s_1)$ .

A strategy (respectively, strategy profile) in the reputation game induces a strategy (respectively, strategy profile) in any subgame. For simplicity of notation, we often use the same symbol to represent a strategy (respectively, strategy profile) and its induced strategy (respectively, strategy profile).

In the reputation game, a PPA-dependent (respectively, PPA-independent) strategy profile  $s^* = (s_0^*, s_1^*)$  is a Nash equilibrium (NE) if for all  $i \in \{0, 1\}$ , for all PPA-dependent (respectively, PPA-independent) strategy  $s_i$ ,

$$u_i(s^*) \geq u_i(s_i, s_{1-i}^*).$$

Similarly, in subgame  $\Gamma(h)$ , a PPA-dependent (respectively, PPA-independent) strategy profile  $s^*$  induces an NE if for

all  $i \in \{0, 1\}$ , for all PPA-dependent (respectively, PPA-independent) strategy  $s_i$ ,

$$u_{i,\Gamma(h)}(s^*) \geq u_{i,\Gamma(h)}(s_i, s_{1-i}^*).$$

We say that a PPA-dependent (respectively, PPA-independent) strategy profile  $s^*$  is an SPNE of the reputation game if for every subgame  $\Gamma(h)$ ,  $s^*$  induces an NE in  $\Gamma(h)$ .

Since a finite repeated game is also a finite-horizon extensive game, we can apply the famous One Deviation Theorem [20] to our reputation game. In the context of our reputation game, the theorem states that  $s^*$  is an SPNE if and only if for each player, a deviation from  $s^*$  in any single stage cannot bring more utility to the player in the subgame starting from the stage of deviation. Formally,  $s^*$  is an SPNE if and only if for  $i \in \{0, 1\}$ , for every subgame  $\Gamma(h)$ , for all  $a_i \in A_i$ ,

$$u_{i,\Gamma(h)}(s^*) \geq u_{i,\Gamma(h)}(s_i^*|_{h \rightarrow a_i}, s_{1-i}^*),$$

where  $s_i^*|_{h \rightarrow a_i}$  denotes a strategy in which action  $a_i$  is taken right after history  $h$ , and the action specified by  $s_i^*$  is used after any other history.

## 3 IMPOSSIBILITY OF SPNE SOLUTION FOR TRADITIONAL REPUTATION SYSTEMS

Given the basic model of finite reputation game, now we show that it is impossible to design a traditional reputation system (in which punishment can only be dropping packets) that provides an SPNE solution in this model. Intuitively, this impossibility result means that we cannot use *any* traditional reputation systems to achieve strong incentive compatibility in finite reputation games. More precisely, if a traditional reputation system is used in a finite reputation game, then in all SPNE, both players of the game drop all packets of each other. A formal theorem and proof are given below.

**Theorem 1.** *In the basic model of reputation game (as defined in Section 2), for all SPNE  $s^*$ , and all history  $h$  such that its length  $|h| < T$ , the outcome of  $s^*$  in the subgame  $\Gamma(h)$  is*

$$O_{\Gamma(h)}(s^*) = (0, 0)^{T-|h|} = ((0, 0), \dots, (0, 0)).$$

*In particular, this implies that  $\forall i \in \{0, 1\}$ ,  $u_i(s^*) = 0$ .*

**Proof.** Here, we prove that this theorem for the case  $s^*$  is PPA-dependent. If  $s^*$  is PPA-independent, we can easily obtain a similar proof.

Note that it suffices to show that for all SPNE  $s^*$ , all history  $h$  such that its length  $|h| < T$ , and all  $i \in \{0, 1\}$ , we have  $s_i^*(h) = 0$ .

We prove this theorem by induction on  $|h|$ . If  $|h| = T - 1$ , by the definition of SPNE,  $s^*(h)$  is an NE in stage  $T$ . Hence,

$$s_i^*(h) = \arg \max_{a_{i,T}} (a_{1-i,T} u - a_{i,T} c) = 0.$$

Now, suppose that the above proposition is true for  $|h| \geq h_0$ , where  $h_0 \in \mathbb{N}^+$  and  $1 \leq h_0 \leq T - 1$ . We show that it is true for  $|h| = h_0 - 1$  as well. Let  $h' = (h, (\hat{a}_i, \hat{s}_{1-i}^*(h, \perp)))$ , where  $\hat{a}_i$  and  $\hat{s}_{1-i}^*(h)$  are the perceived probabilities of  $a_i$  and  $s_{1-i}^*(h)$ , respectively. For all  $i \in \{0, 1\}$ , all  $a_i$ , we have

$$\begin{aligned}
u_{i,h_0}(a_i, s_{1-i}^*(h)) &= u_{i,\Gamma(h)}(s_i^*|_{h \rightarrow a_i}, s_{1-i}^*) \\
&\quad - u_{i,\Gamma(h)}(s^*) \\
&\leq u_{i,\Gamma(h)}(s^*) - u_{i,\Gamma(h)}(s^*) \\
&= u_{i,\Gamma(h)}(s^*) - \sum_{t=h_0+1}^T (a_{1-i,t}^{h'} u - a_{i,t}^{h'} c),
\end{aligned}$$

where  $((a_{i,h_0+1}^{h'}, a_{1-i,h_0+1}^{h'}, \dots, (a_{i,T}^{h'}, a_{1-i,T}^{h'}))$  is the outcome of  $s^*$  in  $\Gamma(h')$ .

By the induction assumption, we get that for all  $i \in \{0, 1\}$ , for  $t = h_0 + 1, \dots, T$ ,  $a_{i,t}^{h'} = 0$ . Therefore,

$$u_{i,h_0}(a_i, s_{1-i}^*(h)) \leq u_{i,\Gamma(h)}(s^*). \quad (1)$$

Let  $h'' = (h, (\hat{s}^*(h), \perp))$ , where  $\hat{s}^*(h)$  is the perceived probabilities of  $s^*(h)$ . Similar to the above, we can obtain that

$$u_{i,h_0}(s^*(h)) = u_{i,\Gamma(h)}(s^*) - \sum_{t=h_0+1}^T (a_{1-i,t}^{h''} u - a_{i,t}^{h''} c),$$

where  $((a_{i,h_0+1}^{h''}, a_{1-i,h_0+1}^{h''}, \dots, (a_{i,T}^{h''}, a_{1-i,T}^{h''}))$  is the outcome of  $s^*$  in  $\Gamma(h'')$ . By the induction assumption, we also have that for all  $i \in \{0, 1\}$ , for  $t = h_0 + 1, \dots, T$ ,  $a_{i,t}^{h''} = 0$ . Therefore,

$$u_{i,h_0}(s^*(h)) = u_{i,\Gamma(h)}(s^*). \quad (2)$$

Combining (1) and (2), we get that

$$u_{i,h_0}(a_i, s_{1-i}^*(h)) \leq u_{i,h_0}(s^*(h)). \quad (3)$$

Since (3) is true for all  $a_i$ , it must be the case that

$$s_i^*(h) = \arg \max_{a_i} u_{i,h_0}(a_i, s_{1-i}^*(h)) = 0,$$

which means that the proposition is true for  $|h| = h_0 - 1$ .  $\square$

## 4 EXTENDED MODEL AND FITS-D SCHEME

Since traditional reputation systems cannot provide SPNE solutions, in this section, we introduce a new technique and use it to significantly enhance the incentive compatibility of reputation systems. This technique is called TTI.

The main idea of TTI is that a node can *threaten* to drop a neighbor's packets *and* interfere with the neighbor's communications. In contrast, in traditional reputation systems, a node can only threaten to drop its neighbor's packets, which is the only way to force its neighbor to forward packets. Because the combined threat (of packet dropping and communication interference) is stronger than a single threat of packet dropping, it can be a more effective method to force the neighbor to forward packets. Note that TTI does not require real interference with communications. In fact, our analysis will show that there is no real interference at all when the system converges to a stable state.

### 4.1 Extended Model

To allow formal analysis of TTI, we extend the basic model by introducing an additional action ITF to each node  $v_i$ , which means that  $v_i$  drops all packets of  $v_{1-i}$  and interferes with the communications of  $v_{1-i}$  (using dumb packets

containing its own identity). Formally, we replace the action set  $A_i$  with  $A'_i = A_i \cup \{\text{ITF}\}$ . Correspondingly, the perceived action of player  $v_i$  in stage  $t$  is redefined as

$$\hat{a}'_{i,t} = \begin{cases} \text{ITF}, & \text{if } a'_{i,t} = \text{ITF}, \\ (1 - p_c) a'_{i,t}, & \text{otherwise.} \end{cases}$$

(We note that in the extended model, *perceived actions* are different from *perceived probabilities*.) Furthermore, the utility of player  $v_i$  in stage  $t$  is redefined as

$$u'_{i,t} = \begin{cases} a_{1-i,t} u - a_{i,t} c, & \text{if } a_{i,t} \neq \text{ITF} \\ & \text{and } a_{1-i,t} \neq \text{ITF}, \\ a_{1-i,t} u, & \text{if } a_{i,t} = \text{ITF} \\ & \text{and } a_{1-i,t} \neq \text{ITF}, \\ u_{\text{INT}}, & \text{if } a_{1-i,t} = \text{ITF}, \end{cases}$$

where  $u_{\text{INT}} < 0$ . Here, we assume that  $u_{\text{INT}} < -u$ . Intuitively, this means that the loss caused by communication interference is greater than the benefit of forwarding packets. The utility in the entire game is still the sum of utilities in all stages:  $u'_i = \sum_{t=1}^T u'_{i,t}$ .

### 4.2 FITS-D Scheme

Now, we design the FITS-D scheme using the TTI technique.

The first idea of our design is that a node following the scheme can simply choose the "worst" action appeared in the history as its new action. That is, assuming no node has ever taken the action ITF, then a cooperative node should take the lowest forwarding probability ever appeared in the history of the game. (Note that this lowest forwarding probability in the history can be easily computed by a node: it knows all its own forwarding probabilities in the history; by the PPA, it also knows all the perceived probabilities in the history, which allows it to compute the forwarding probabilities of the other node in the history.) The advantage of such a scheme is clear: if a misbehaving node drops packets of its neighbor with a certain probability in a stage, then its cooperative neighbor drops its packets with at least the same probability in all future stages. This threat of punishment is strong enough to prevent a misbehaving node from dropping packets.

Recall the problem caused by the finite repeated game model, which we have discussed in Section 1. To solve this problem, we introduce an additional stage in which there is *no* data transmission, and use our TTI technique in this stage. Intuitively, we can view this stage as a brief extension period of the reputation game. In this additional stage, a cooperative node examines whether the other node was cooperative in the last stage of data transmission. If so, the cooperative node does nothing; otherwise, the cooperative node interferes with the other node's communications.

In this way, we can effectively prevent packet dropping in the last stage of data transmission (i.e., in the second last stage of the entire game), because communication interference is a strong threat to any misbehaving node. Furthermore, we do not need to worry about misbehavior in the additional stage (i.e., in the last stage of the entire game), because a misbehaving node cannot benefit from cheating in a stage that has no data transmission at all. (For detailed analysis, see Theorem 2 and its proof.)

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1 ▷  $(v_i, v_{1-i})$  is a pair of neighbors.
2 ▷  $t$  is the index of stage in the reputation game.

3 if  $t = 1$ ,
4   then  $a_{i,t} \leftarrow 1$ ;
5 else if  $\exists t' \in \{1, \dots, t-1\}$  s.t.  $\hat{a}_{i,t'} = \text{ITF}$ 
6 or  $\hat{a}_{1-i,t'} = \text{ITF}$ ,
7   then  $a_{i,t} \leftarrow \text{ITF}$ ;
8 else if  $t < T$ ,
9   then  $\rho_{i,t} \leftarrow \frac{\min_{1 \leq t' \leq t-1} \{\hat{a}_{i,t'}, \hat{a}_{1-i,t'}\}}{\hat{a}_{i,t-1}}$ ;
10   $a_{i,t} \leftarrow \rho_{i,t} a_{i,t-1}$ ;
11 else if  $\hat{a}_{1-i,t-1} < \min_{1 \leq t' \leq t-2} \{\hat{a}_{i,t'}, \hat{a}_{1-i,t'}\}$ 
12   then  $a_{i,t} \leftarrow \text{ITF}$ ;
13 else  $a_{i,t} \leftarrow 0$ .

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Fig. 1. FITS-D scheme.

A detailed description of the FITS-D scheme is given in Fig. 1.

### 4.3 Analysis of FITS-D Scheme

Now, we present a formal analysis of the FITS-D scheme. We show that it is an SPNE solution to the packet forwarding problem. More precisely, we show that in an SPNE, nodes forward packets with probability 1 in all stages except the last stage that does not have any data to forward.

**Theorem 2.** *In the extended model of reputation game (as defined in Section 4.1), if the FITS-D scheme is used, assuming that  $u > 2c$ , then there is an SPNE  $s^*$  such that*

$$O(s^*) = (1, 1)^{T-1}(0, 0) = ((1, 1), \dots, (1, 1), (0, 0)),$$

which implies that for all  $i \in \{0, 1\}$ ,  $u_i(s^*) = (T-1)(u-c)$ .

**Proof.** It is easy to see that if all participants follow the FITS-D scheme, then the outcome is  $(1, 1)^{T-1}(0, 0)$ . Hence, denote by  $s^*$  the strategy profile defined by our FITS-D scheme; it suffices to show that  $s^*$  is an SPNE.

Let  $h = ((\hat{a}_{0,1}, \hat{a}_{1,1}, \perp), \dots, (\hat{a}_{0,|h|}, \hat{a}_{1,|h|}, \perp))$ . Let  $t = |h|$ . Let  $s_i = s_i^*|_{h \rightarrow a_i}$ , where  $a_i \neq s_i^*(h)$ . We distinguish a number of cases to analyze the relationship between  $u_{i,\Gamma(h)}(s^*)$  and  $u_{i,\Gamma(h)}(s_i, s_{1-i}^*)$  (we will use notation  $u_{\Gamma(h)}(s^*)$  (respectively,  $u_{\Gamma(h)}(s_i, s_{1-i}^*)$ ) instead of  $u_{i,\Gamma(h)}(s^*)$  (respectively,  $u_{i,\Gamma(h)}(s_i, s_{1-i}^*)$ ) in this proof for convenience):

**Case A.** There exists  $t' \in \{1, \dots, t\}$  s.t.  $\hat{a}_{i,t'} = \text{ITF}$  or  $\hat{a}_{1-i,t'} = \text{ITF}$ . In this case,

$$\begin{aligned} O_{\Gamma(h)}(s^*) &= (\text{ITF}, \text{ITF})^{T-t}, \\ \Rightarrow u_{\Gamma(h)}(s^*) &= (T-t)u_{\text{INT}}, \end{aligned}$$

and

$$\begin{aligned} O_{\Gamma(h)}(s_i, s_{1-i}^*) &= (a_i, \text{ITF})(\text{ITF}, \text{ITF})^{T-t-1}, \\ \Rightarrow u_{\Gamma(h)}(s_i, s_{1-i}^*) &= (T-t)u_{\text{INT}}. \end{aligned}$$

Hence,  $u_{\Gamma(h)}(s^*) = u_{\Gamma(h)}(s_i, s_{1-i}^*)$ .

**Case B.**  $t = 0$ . In this case,

$$\begin{aligned} O_{\Gamma(h)}(s^*) &= (1, 1)^{T-t-1}(0, 0), \\ \Rightarrow u_{\Gamma(h)}(s^*) &= (T-t-1)(u-c). \end{aligned}$$

We have two subcases.

**Case B.1.**  $a_i = \text{ITF}$ .

$$\begin{aligned} O_{\Gamma(h)}(s_i, s_{1-i}^*) &= (\text{ITF}, 1)(\text{ITF}, \text{ITF})^{T-t-1}, \\ \Rightarrow u_{\Gamma(h)}(s_i, s_{1-i}^*) &= (T-t-1)u_{\text{INT}} + u. \end{aligned}$$

Since  $u_{\text{INT}} < -u < -c$ , we can easily obtain that

$$u_{\Gamma(h)}(s^*) \geq u_{\Gamma(h)}(s_i, s_{1-i}^*).$$

**Case B.2.**  $a_i \neq \text{ITF}$ .

$$\begin{aligned} O_{\Gamma(h)}(s_i, s_{1-i}^*) &= (a_i, 1)(a_i, a_i)^{T-t-2}(0, 0), \\ \Rightarrow u_{\Gamma(h)}(s_i, s_{1-i}^*) &= (T-t-2)a_i(u-c) + u - a_i c. \end{aligned}$$

Since  $u > 2c$ , we can easily obtain that

$$u_{\Gamma(h)}(s^*) \geq u_{\Gamma(h)}(s_i, s_{1-i}^*).$$

**Case C.**  $\forall t' \in \{1, \dots, t\}$ ,  $\hat{a}_{i,t'} \neq \text{ITF}$  and  $\hat{a}_{1-i,t'} \neq \text{ITF}$ , and  $0 < t < T-1$ . In this case,

$$\begin{aligned} O_{\Gamma(h)}(s^*) &= \left( \frac{a_{i,t-1}}{\hat{a}_{i,t-1}} \cdot \min_{1 \leq t' \leq t} \{\hat{a}_{i,t'}, \hat{a}_{1-i,t'}\}, \right. \\ &\quad \left. \frac{a_{i,t-1}}{\hat{a}_{i,t-1}} \cdot \min_{1 \leq t' \leq t} \{\hat{a}_{i,t'}, \hat{a}_{1-i,t'}\} \right)^{T-t-1} (0, 0), \\ \Rightarrow u_{\Gamma(h)}(s^*) &= (T-t-1)(u-c) \cdot a_{i,t-1} \\ &\quad \cdot \min_{1 \leq t' \leq t} \{\hat{a}_{i,t'}, \hat{a}_{1-i,t'}\} / (\hat{a}_{i,t-1}). \end{aligned}$$

We have four subcases.

**Case C.1.**  $a_i = \text{ITF}$ . Thus, we have

$$\begin{aligned} O_{\Gamma(h)}(s_i, s_{1-i}^*) &= \left( \text{ITF}, \frac{a_{i,t-1}}{\hat{a}_{i,t-1}} \cdot \min_{1 \leq t' \leq t} \{\hat{a}_{i,t'}, \hat{a}_{1-i,t'}\} \right) \\ &\quad (\text{ITF}, \text{ITF})^{T-t-1}, \\ \Rightarrow u_{\Gamma(h)}(s_i, s_{1-i}^*) &= \frac{a_{i,t-1}}{\hat{a}_{i,t-1}} \cdot \min_{1 \leq t' \leq t} \{\hat{a}_{i,t'}, \hat{a}_{1-i,t'}\} u \\ &\quad + (T-t-1)u_{\text{INT}}. \end{aligned}$$

Clearly,  $u_{\Gamma(h)}(s_i, s_{1-i}^*) < 0 < u_{\Gamma(h)}(s^*)$ .

**Case C.2.**  $a_i \neq \text{ITF}$  and  $a_i > s_i^*(h)$ .

$$\begin{aligned} O_{\Gamma(h)}(s_i, s_{1-i}^*) &= \left( a_i, \frac{a_{i,t-1}}{\hat{a}_{i,t-1}} \cdot \min_{1 \leq t' \leq t} \{\hat{a}_{i,t'}, \hat{a}_{1-i,t'}\} \right) \\ &\quad \left( \frac{a_{i,t-1}}{\hat{a}_{i,t-1}} \cdot \min_{1 \leq t' \leq t} \{\hat{a}_{i,t'}, \hat{a}_{1-i,t'}\}, \right. \\ &\quad \left. \frac{a_{i,t-1}}{\hat{a}_{i,t-1}} \cdot \min_{1 \leq t' \leq t} \{\hat{a}_{i,t'}, \hat{a}_{1-i,t'}\} \right)^{T-t-2} (0, 0), \\ \Rightarrow u_{\Gamma(h)}(s_i, s_{1-i}^*) &= (T-t-2)(u-c) \cdot a_{i,t-1} \\ &\quad \cdot \min_{1 \leq t' \leq t} \{\hat{a}_{i,t'}, \hat{a}_{1-i,t'}\} / (\hat{a}_{i,t-1}) - a_i c \\ &\quad + u \cdot a_{i,t-1} \cdot \min_{1 \leq t' \leq t} \{\hat{a}_{i,t'}, \hat{a}_{1-i,t'}\} / (\hat{a}_{i,t-1}). \end{aligned}$$

Hence,  $u_{\Gamma(h)}(s^*) > u_{\Gamma(h)}(s_i, s_{1-i}^*)$ .

**Case C.3.**  $a_i \neq \text{ITF}$  and  $a_i < s_i^*(h)$ , and  $t < T - 2$ .

$$O_{\Gamma(h)}(s_i, s_{1-i}^*) = \left( a_i, \frac{a_{i,t-1}}{\hat{a}_{i,t}} \cdot \min_{1 \leq t' \leq t} \{ \hat{a}_{i,t'}, \hat{a}_{1-i,t'} \} \right)$$

$$(a_i, a_i)^{T-t-2}(0, 0),$$

$$\Rightarrow u_{\Gamma(h)}(s_i, s_{1-i}^*) = (T-t-2)(u-c) \cdot a_i - a_i c$$

$$+ u \cdot a_{i,t-1} \cdot \min_{1 \leq t' \leq t} \{ \hat{a}_{i,t'}, \hat{a}_{1-i,t'} \} / (\hat{a}_{i,t-1}).$$

Since  $u > 2c$  and  $t < T - 2$ , we can easily obtain that  $u_{\Gamma(h)}(s^*) > u_{\Gamma(h)}(s_i, s_{1-i}^*)$ .

**Case C.4.**  $a_i \neq \text{ITF}$  and  $a_i < s_i^*(h)$ , and  $t = T - 2$ .

$$O_{\Gamma(h)}(s_i, s_{1-i}^*) = \left( a_i, \frac{a_{i,t-1}}{\hat{a}_{i,t-1}} \cdot \min_{1 \leq t' \leq t} \{ \hat{a}_{i,t'}, \hat{a}_{1-i,t'} \} \right) (\text{ITF}, \text{ITF}),$$

$$\Rightarrow u_{\Gamma(h)}(s_i, s_{1-i}^*) = u_{\text{INT}} - a_i c$$

$$+ u \cdot a_{i,t-1} \cdot \min_{1 \leq t' \leq t} \{ \hat{a}_{i,t'}, \hat{a}_{1-i,t'} \} / (\hat{a}_{i,t-1}).$$

Since  $u_{\text{INT}} < -u < -c$ , we can easily obtain that  $u_{\Gamma(h)}(s^*) > u_{\Gamma(h)}(s_i, s_{1-i}^*)$ .

**Case D.**  $\forall t' \in \{1, \dots, t-1\}$ ,  $\hat{a}_{i,t'} \neq \text{ITF}$  and  $\hat{a}_{1-i,t'} \neq \text{ITF}$ , and  $t = T - 1$ . We have two subcases.

**Case D.1.**  $s_{1-i}^*(h) = \text{ITF}$ . Hence, we have

$$u_{\Gamma(h)}(s^*) = u_{\text{INT}}$$

$$= u_{\Gamma(h)}(s_i, s_{1-i}^*).$$

**Case D.2.**  $s_{1-i}^*(h) = 0$ . If  $s_i^*(h) = \text{ITF}$ , then

$$u_{\Gamma(h)}(s^*) = 0$$

$$\geq u_{\Gamma(h)}(s_i, s_{1-i}^*).$$

If  $s_i^*(h) \neq \text{ITF}$ , then since  $t = T - 1$ , from the scheme, we know that  $s_i^*(h) = 0$ . Hence,

$$u_{\Gamma(h)}(s^*) = -s_i^*(h) \cdot c$$

$$= 0$$

$$\geq u_{\Gamma(h)}(s_i, s_{1-i}^*).$$

Hence, we always have  $u_{\Gamma(h)}(s^*) \geq u_{\Gamma(h)}(s_i, s_{1-i}^*)$ . So, by the One Deviation Theorem of finite repeated game, we know that  $s^*$  is an SPNE.  $\square$

## 5 FITS-I SCHEME

The FITS-D scheme provides strong incentive for packet forwarding as long as the PPA is valid. However, in reality, there exist scenarios in which the perceived actions of the two nodes cannot be seen by both of them, i.e., the PPA is not valid.<sup>1</sup> In these cases, we need to use a scheme that is independent from the PPA. In this section, we develop such a scheme.

### 5.1 Scheme for PPA-Independence

The main idea to achieve PPA-independence is to use (claimed) real forwarding probabilities instead of perceived forwarding probabilities. We assume that at the beginning of each stage  $t$ , each node  $v_i$  claims its real forwarding

1. In such scenarios, a node  $v_i$  still knows  $\hat{a}_{1-i,t}$ , but does not know  $\hat{a}_{i,t}$ . Note that  $v_i$  always knows its own action  $a_{i,t}$ , but it may have no idea about  $p_e$ , and thus, may not know  $\hat{a}_{i,t}$ .

```

1 ▷  $(v_i, v_{1-i})$  is a pair of neighbors.
2 ▷  $t$  is the index of stage in the reputation game.
3 ▷  $r_v = \text{TRUE}$  at the beginning of stage 1.

4 if  $r_v = \text{TRUE}$ 
5   then
6     if  $t = 1$ ,
7       then  $a_{i,t} \leftarrow 1$ ;
8     else if  $\exists t' \in \{1, \dots, t-1\}$  s.t.
9        $a_{i,t'} = \text{ITF}$  or  $\hat{a}_{1-i,t'} = \text{ITF}$ ,
10      then  $a_{i,t} \leftarrow \text{ITF}$ ;
11     else if  $t < T$ ,
12      then  $a_{i,t} \leftarrow \min_{1 \leq t' \leq t-1} \{ a_{i,t'}, \bar{a}_{1-i,t'} \}$ ;
13     else if  $\bar{a}_{1-i,t-1} < \min_{1 \leq t' \leq t-2} \{ a_{i,t'}, \bar{a}_{1-i,t'} \}$ 
14      then  $a_{i,t} \leftarrow \text{ITF}$ ;
15     else
16        $a_{i,t} \leftarrow 0$ ;
17   else
18      $a_{i,t} \leftarrow \text{ITF}$ .

```

Fig. 2. FITS-I scheme: deciding  $a_{i,t}$  at beginning of stage  $t$ .

probability in this stage to the other node  $v_{1-i}$ . Denote this claim by  $\bar{a}_{i,t}$ . If  $v_i$  is cooperative, we must have  $\bar{a}_{i,t} = a_{i,t}$ . (Of course, if  $v_i$  is a misbehaving node, then we may have  $\bar{a}_{i,t} \neq a_{i,t}$ .) Using these claimed probabilities, we can establish a scheme that is similar to the FITS-D scheme but does not need any perceived probability, as long as we can make sure that there is no false claim of forwarding probability.

To prevent players from making false claims, we divide each stage into  $m$  small time intervals. Each player is responsible for keeping a transcript of the packets it has forwarded in the *current* time interval. At the end of each time interval, with probability  $p_v$ , node  $v_i$  chooses to verify the forwarding probability of  $v_{1-i}$  in this time interval. (To reduce the overall overheads of computation and communication,  $v_i$  does not verify the forwarding probability in all time intervals. Instead,  $v_i$  randomly picks some time intervals and verifies the forwarding probability in these time intervals only.) If  $v_i$  chooses to verify the forwarding probability in a time interval, it requests the transcript from  $v_{1-i}$ . Then, it uses this transcript to decide whether  $v_{1-i}$  has really forwarded packets with probability  $\bar{a}_{1-i,t}$ . (There are various ways to design a verification algorithm for this purpose. We give one example algorithm in Section 5.3.) If cheating is detected,  $v_i$  punishes  $v_{1-i}$  by dropping its packets and interfering with its communications in all future stages.<sup>2</sup> If no cheating is detected in this time interval, or if this time interval is not chosen for verification of the forwarding probability, then the transcript can be discarded at the beginning of next time interval to save space.

The details of FITS-I scheme are shown in Figs. 2 and 3. In this scheme, we use an algorithm `VerProb()` to verify the claimed forwarding probabilities. This algorithm works by comparing two transcripts  $\bar{X}_{1-i}$  and  $X_{1-i,i}$ . Here, both of these two transcripts are supposed to be the packets forwarded in the current time interval by  $v_{1-i}$ . However,

2. Note that this strong punishment is to make sure that nodes do not cheat in reporting  $\bar{a}_{1-i,t}$ . As shown later, when the system converges to the stable state (SPNE) under FITS-I, there is actually *no real interference* in the system.

```

1 ▷  $(v_i, v_{1-i})$  is a pair of neighbors.
2 ▷  $\bar{X}_{1-i}$  is the transcript of packets sent by  $v_{1-i}$ 
3   that is provided by  $v_{1-i}$ .
4 ▷  $X_{1-i,i}$  is the transcript of packets sent by  $v_{1-i}$ 
5   that is overheard by  $v_i$ .

6 if  $r_v = \text{TRUE}$ 
7   With Probability  $p_v$ 
8     Request the transcript  $\bar{X}_{1-i}$  from  $v_{1-i}$ ;
9     Verify that  $\bar{X}_{1-i}$  is consistent with  $\bar{a}_{1-i,t}$ .
10     $r_v \leftarrow \text{VerProb}(X_{1-i,i}, \bar{X}_{1-i})$ .

```

Fig. 3. FITS-I scheme: end of a time interval in stage  $t$ .

they are from different sources:  $\bar{X}_{1-i}$  is provided by  $v_{1-i}$  (and thus, should be consistent with the claimed forwarding probability of  $v_{1-i}$ ), while  $X_{1-i,i}$  is overheard by  $v_i$  (and thus, includes collisions it hears in addition to forwarded packets). If  $v_{1-i}$  is honest, these two transcripts should be consistent (except for collisions in  $X_{1-i,i}$ ). Even though  $v_{1-i}$  can provide a false  $\bar{X}_{1-i}$  by including the packets that it has not forwarded,  $v_i$  can detect the false claim by comparing  $\bar{X}_{1-i}$  and its own record  $X_{1-i,i}$ . We discuss how to design this algorithm in Section 5.3.

One may notice that the FITS-I scheme also uses the perceived forwarding probability  $\hat{a}_{1-i,t}$ . However, this perceived probability of node  $v_{1-i}$  is always known to node  $v_i$ , regardless of whether the PPA is valid or not. So, the PPA-independence of the scheme is not affected.

## 5.2 Analysis of FITS-I Scheme

The incentive compatibility of FITS-I scheme is formally stated in the following theorem:

**Theorem 3.** *In the extended model of reputation game, if the FITS-I scheme is used, and if  $\forall i \in \{0, 1\}, \forall t \in \{1, \dots, T\}, \bar{a}_{i,t} = a_{i,t}$ , assuming that  $u > 2c$ , then there is an SPNE  $s^*$  such that*

$$O(s^*) = (1, 1)^{T-1}(0, 0) = ((1, 1), \dots, (1, 1), (0, 0)),$$

which implies that, for all  $i \in \{0, 1\}, u_i(s^*) = (T-1)(u-c)$ .

The proof is analogous to that of Theorem 2. Due to limitation of space, we omit the proof here.

One may ask whether we can have a similar formal analysis in the case when  $\bar{a}_{i,t} = a_{i,t}$  does not always hold. To achieve this goal, we need to redefine the finite repeated game by adding the reports of  $\bar{a}_{i,t}$  into the action space. The result would be a much more complex game. We conjecture that in such a complex game, we will only be able to prove a much weaker variant of SPNE, rather than the standard SPNE we consider in this paper. Hence, it would be very difficult to formally analyze the case when  $\bar{a}_{i,t} = a_{i,t}$  does not always hold. In this paper, to guarantee  $\bar{a}_{i,t} = a_{i,t}$ , we take a lightweight approach for preventing players from making false claims of forwarding probabilities. When this approach is used, with a certain probability, making false claims will be detected and punished (as shown in Theorem 4). Consequently, a selfish node has incentives to report  $\bar{a}_{i,t}$  that is equal to  $a_{i,t}$ .

```

1 ▷  $(v_i, v_{1-i})$  is a pair of neighbors.
2 ▷  $\bar{X}_{1-i}$  is the transcript of  $v_{1-i}$ 's messages
3   provided by  $v_{1-i}$ .
4 ▷  $X_{1-i,i}$  is the transcript of  $v_{1-i}$ 's messages
5   overheard by  $v_i$ .
6 ▷ COL is the symbol for an overheard collision.
7 ▷ VLGSearch is the RILMS algorithm.

8  $j \leftarrow 1; l \leftarrow 1; l' \leftarrow 1;$ 
9  $J \leftarrow \text{NumberOfPackets}(X_{1-i,i});$ 
10 while  $j \leq J$  do
11    $X'[l] \leftarrow$  longest prefix of  $X_{1-i,i}[j \dots J]$  that
12     does not contain COL;
13   if  $X'[l]$  is not empty
14     then  $l \leftarrow l + 1;$ 
15      $j \leftarrow j + \text{NumberOfPackets}(X'[l]);$ 
16   if  $j \leq J$ 
17     then  $X''[l'] \leftarrow$  longest prefix of
18        $X_{1-i,i}[j \dots J]$  that contains only COL;
19        $l' \leftarrow l' + 1;$ 
20        $j \leftarrow j + \text{NumberOfCOL}(X''[l']);$ 
21   else
22     return VLGSearch( $\bar{X}_{1-i}, X'[1 \dots l - 1],$ 
23        $\{\text{COLPack}(X''[j])\}_{j=1}^{l'-1}$ );
24    $X'[l] \leftarrow$  empty string;
25 return VLGSearch( $\bar{X}_{1-i}, X'[1 \dots l],$ 
26    $\{\text{COLPack}(X''[j])\}_{j=1}^{l'-1}$ );

27 COLPack( $x$ )
28    $L_1 \leftarrow 0; L_2 \leftarrow 0;$ 
29   for each COL in  $x$ 
30      $\tau \leftarrow \text{Time of COL};$ 
31      $L_1 \leftarrow L_1 + \left\lceil \frac{\tau}{\tau_{\text{col}}^{\text{max}}} \right\rceil;$ 
32      $L_2 \leftarrow L_2 + \left\lceil \frac{\tau}{\tau_{\text{col}}^{\text{min}}} \right\rceil;$ 
33   return( $L_1, L_2$ );

```

Fig. 4. VerProb: verification of forwarding probability.

## 5.3 VerProb: Example Algorithm for Verifying Forwarding Probabilities

Now, we design the algorithm VerProb that compares  $X_{1-i,i}$  with  $\bar{X}_{1-i}$ .

Recall that  $\bar{X}_{1-i}$  is the transcript provided by  $v_{1-i}$ . Therefore, it is a sequence of packets. In contrast, because  $X_{1-i,i}$  is overheard by  $v_i$ , it is a sequence of packets *and collisions*. (Note that when the packets forwarded by  $v_{1-i}$  collide with other transmissions,  $v_i$  can hear the collisions, although it cannot determine what are the collided packets.) If  $v_i$  is honest,  $\bar{X}_{1-i}$  should be identical to  $X_{1-i,i}$ , except that some segments of  $\bar{X}_{1-i}$  correspond to collisions in  $X_{1-i,i}$ . The restriction on these segments is that each collision of time length  $\tau$  can only match with a sequence of  $\frac{\tau}{\tau_{\text{col}}^{\text{max}}}$  to  $\frac{\tau}{\tau_{\text{col}}^{\text{min}}}$  packets, where  $\tau_{\text{col}}^{\text{max}}$  (respectively,  $\tau_{\text{col}}^{\text{min}}$ ) is the maximum (respectively, minimum) length of transmission time for a packet.

The above problem can be easily reduced to the problem of *variable-length gap matching*. Hence, the main idea of the VerProb algorithm is to reduce it to variable-length gap matching, and then, apply the Rahman-Iliopoulos-Lee-Mohamed-Smyth (RILMS) algorithm [22]. Details of the VerProb algorithm are given in Fig. 4.

**Theorem 4.** Let  $N$  be the total number of packets that need to be forwarded by  $v_{1-i}$  in stage  $t$ . If the algorithm **VerProb** is used, and if  $\bar{X}_{1-i}$  includes  $N\bar{a}_{i,t}$  packets forwarded for  $v_i$  while only  $N a_{i,t}$  packets are actually forwarded for  $v_i$  (where  $\bar{a}_{i,t} > a_{i,t}$ ), then with probability

$$p_d \geq 1 - (1 - p_v(1 - p_c))^{\lceil \frac{N(\bar{a}_{i,t} - a_{i,t})}{n_{\text{int}}} \rceil},$$

the algorithm **VerProb** outputs **FALSE**, where  $n_{\text{int}}$  is an upper bound for the number of packets transmitted in a time interval.

**Proof.** Let  $n_j$  be the number of packets that  $v_{1-i}$  falsely claims to be forwarded for  $v_i$  in time interval  $j$ . Clearly,

$$\sum_{j=1}^t n_j = N(\bar{a}_{i,t} - a_{i,t}). \quad (4)$$

Node  $v_i$  detects cheating in this time interval if the algorithm **VerProb** is executed in this time interval, and at least one of these  $n_j$  packets is claimed to be sent at a time when  $v_i$  does not hear a collision. So, the probability of detecting cheating in time interval  $j$  is

$$p_{d,j} = p_v(1 - p_c^{n_j}).$$

Recall that  $m$  is the number of time intervals in stage  $t$ . Hence, the probability of detecting cheating in the entire stage is

$$\begin{aligned} p_d &= 1 - \prod_{j=1}^m (1 - p_{d,j}) \\ &= 1 - \prod_{j=1}^m (1 - p_v(1 - p_c^{n_j})) \\ &\geq 1 - (1 - p_v(1 - p_c))^{\lceil \frac{N(\bar{a}_{i,t} - a_{i,t})}{n_{\text{int}}} \rceil}. \end{aligned}$$

The last inequality is due to (4) and the pigeonhole principle.  $\square$

## 6 EVALUATIONS

In the previous sections, we have presented the two schemes of FITS. To evaluate the performance of FITS, we implement these two schemes in the network layer using wireless network simulator GloMoSim [11] and perform three sets of experiments:

- The first set of our experiments studies the punishment of FITS schemes on misbehaving nodes. The objective is to verify that FITS schemes effectively punish misbehaving nodes, and thus, give nodes incentives to cooperate in packet forwarding.
- The second set of our experiments compares FITS with an existing reputation system, in terms of their convergence to stable states. The objective is to verify that FITS converges to a stable state with significantly higher forwarding probabilities.
- The third set of experiments examines the effect of interference, in case it is really used for punishment.
- The fourth set of our experiments measures the efficiency of FITS schemes in terms of computation and communication overheads.

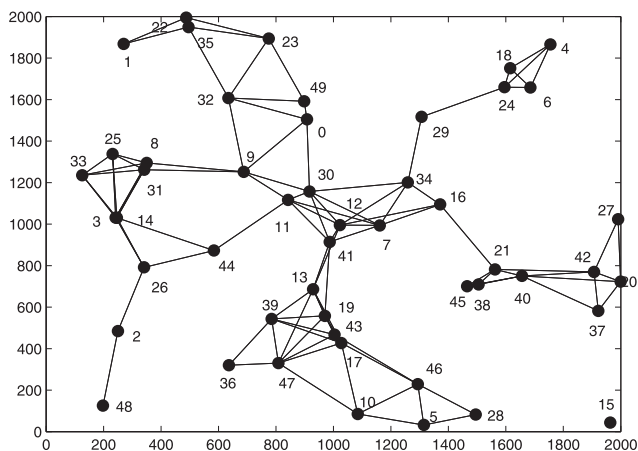


Fig. 5. Topology of the randomly generated network. Nodes are labeled with their IDs. A link between two nodes represents that these two nodes are within each other's transmission range.

In the remainder of this section, we describe the settings and results of our experiments.

### 6.1 Settings

In our experiments, the MAC layer is based on IEEE 802.11; the Dynamic Source Routing protocol (DSR) is used for routing. We use the two-ray propagation path loss model. The radio transmission power level is at 12 dBm and the radio to noise ratio threshold is set to 8.0 dB. The network has a bandwidth of 2 Mbps.

Within an area of  $2,000 \times 2,000$  square meters, 50 nodes are randomly distributed. The topology of the network is shown in Fig. 5.<sup>3</sup> We generate the traffic of 50 sessions. Every node is a session source and the destination of each session is randomly picked. Throughout the simulation time, each source transmits packets at a constant bit rate of two packets per second with the packet size being 512 bytes. For FITS-I scheme, we set  $m = 20$  (which means that there are 20 time intervals in each stage) and  $p_v = 0.2$ .

### 6.2 Punishment on Misbehaving Nodes

In the first set of experiments, we study the punishment that misbehaving nodes receive in FITS schemes.

We randomly pick five nodes to be the misbehaving nodes, which means that these nodes do not implement FITS and drop packets that are not destined to them with a fixed probability. All the other nodes are cooperative, i.e., they use FITS schemes to forward packets for other nodes. There are eight stages in the reputation game and each stage lasts for 100 seconds. The entire simulation time is 800 seconds. The results described below are the average of 200 runs.

Fig. 6 shows the utilities of misbehaving nodes when they drop packets in the FITS-D scheme (respectively, FITS-I scheme) in subfigure (1) (respectively, (2)). Here, we use  $u = 3.0$  and  $c = 1.0$  when calculating the utility. From Fig. 6, we observe that when the packet dropping probability of misbehaving nodes grows, their utilities obtained in the reputation games decrease quickly. This reflects that the FITS schemes effectively punish the misbehaving nodes in terms of utilities.

3. Here, we assume that during each of our data sessions, network topology remains the same.



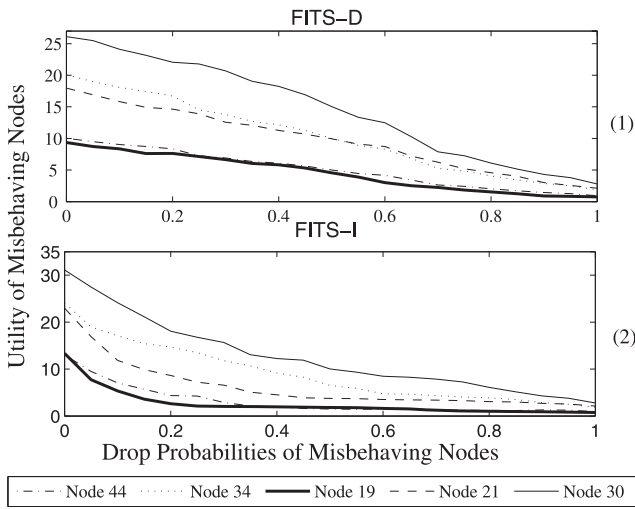


Fig. 6. Utilities of misbehaving nodes in FITS schemes.

Another way to study the punishment on misbehaving nodes is to measure the message success rates (the percentage of packets from the source node that successfully arrive at the destinations) of the misbehaving nodes. Fig. 7 shows the results of our measurements in the two FITS schemes. For comparison, we also include the average message rates of cooperative nodes in these figures. We can see that the message success rates of all misbehaving nodes are fast decreasing (as the packet dropping probability grows), while the message success rates of cooperative nodes only decrease slightly.

### 6.3 Comparison of Stable States

Our second set of experiments is to compare FITS with an existing reputation system, DARWIN [14], and to observe their convergence to stable states. In this set of experiments, nodes are allowed to choose any stage of the game to start dropping packets. A stable state is a state such that for each node, changing its strategy in any way cannot increase its utility. To find the stable state, in this set of experiments, we let nodes go through a sequence of reputation games and

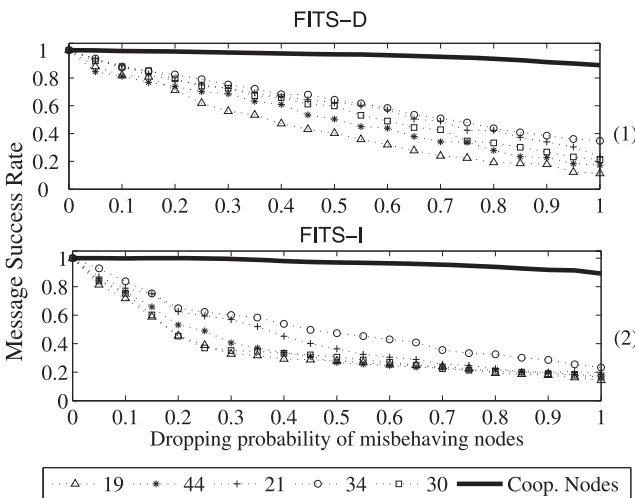


Fig. 7. Message success rate of misbehaving nodes and cooperative nodes in FITS schemes.

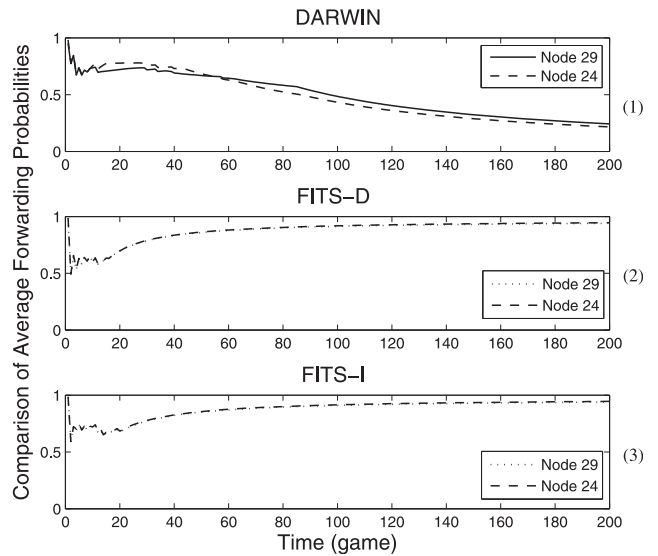


Fig. 8. Comparison of average forwarding probabilities of DARWIN and FITS as system converges.

allow the nodes to change their strategies between games. A node stops changing its strategy when it finds that there is no way to improve its utility by changing the current strategy. When the involved nodes stop changing their strategies, a reputation system is in its stable state.

We randomly pick a pair of neighbors, Node 24 and Node 29, and observe how their average forwarding probabilities for each other evolve in a sequence of reputation games. These two nodes are selfish, so try to maximize their utilities by dropping packets. At the beginning of each experiment, each node forwards packets with probability 1. In the sequence of reputation games, a node can make an attempt to change its strategy as follows: it randomly picks a stage and drops all the packets in and after that stage. Then, it compares the utility it gets in this game with the utility in the previous game. If there is a loss in utility, it goes back to the old forwarding strategy and stays with that strategy for three games before it makes another attempt. If there is a gain in utility, it is happy for that, and thus, stays with the new forwarding strategy for 20 more games before it makes the next attempt to drop more packets.

We test FITS and DARWIN, respectively, in the above experiments. Each stage is 30 seconds long and each game has five stages. Each experiment lasts for 500 minutes so that both reputation systems are guaranteed to converge to stable states.

Fig. 8 shows the results for DARWIN, FITS-D, and FITS-I in subfigures (1), (2), and (3), respectively. The forwarding probability of each node is the average forwarding probability in the sequence of games that the node has been through from the beginning. In subfigure (1), we can see that the average forwarding probabilities of both Node 29 and Node 24 decrease as the system evolves. It implies that when the system evolves, the nodes can find better strategies of dropping packets rather than forwarding them with probability 1.

In contrast, in the two FITS schemes, as shown in subfigures (2) and (3), average forwarding probabilities increase to a constant close to 1, after the oscillations in the

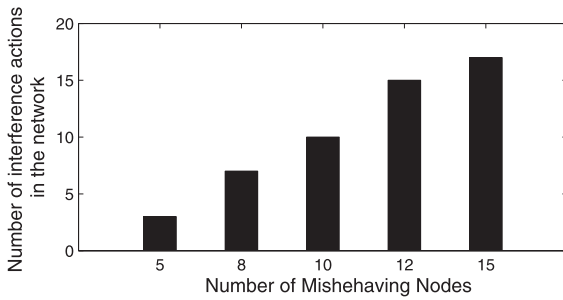


Fig. 9. Number of interference actions introduced by FITS versus number of misbehaving nodes.

first few games. In fact, at the beginning, the nodes make all possible attempts and find no way to increase their utilities by dropping packets (because they are punished by FITS). Consequently, in the rest of the experiment, they stay with the strategy to forward all packets.

#### 6.4 Effect of Interference

This set of experiments is to examine the effect of interference on cooperative nodes, when interference is used to punish misbehaving nodes. We first measure the number of interference actions taken by cooperative nodes, for different number of misbehaving nodes in the network. Then, we measure the average message success rates of the cooperative nodes in their own sessions in the following two settings: In the first setting, our FITS schemes are used; in the second setting, a modification of FITS is used in which there is definitely no interference. We compare the cooperative nodes' average message success rates in these two settings to show the effect of interference on message success rates. In this set of experiments, the misbehaving nodes drop packets with probability 0.5.

In Fig. 9, we show the number of interference actions taken by cooperative nodes in the network, when there are 5-15 misbehaving nodes. From our schemes, it is easy to see that the number of interference actions taken by the cooperative nodes in FITS-D scheme is the same as in FITS-I scheme. So, we only use one figure to illustrate the results. We can see that the number of interferences actions is below 20 when there are no more than 15 misbehaving nodes in the network.

Fig. 10 gives a comparison of cooperative nodes' average message success rates in the two settings, i.e., with and without interference introduced by FITS. We vary the number of misbehaving nodes in the network from 5 to 20. From the figure, it is clear that when there are more misbehaving nodes, the message success rate becomes lower. However, the loss in average message rate caused by interference introduced by FITS is very small.

#### 6.5 Efficiency

In the third set of experiments, we measure the efficiency of FITS.

Fig. 11 shows the computation overheads of the two FITS schemes. Here, by computation overhead, we mean the average extra computation time needed by FITS for each node in each session, when the system is in the stable state. In this set of experiments, we have 1,600 packets in each session. Fig. 11 shows that the computation overhead of

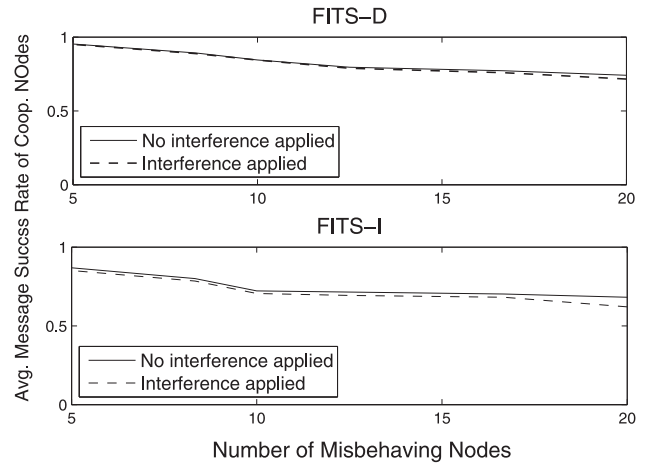


Fig. 10. Message success rates of cooperative nodes in their own sessions: FITS versus no interference.

FITS-D scheme always remains below 3 milliseconds. The computation overhead of FITS-I scheme is slightly higher, but it is still less than 3.5 milliseconds.

Clearly, in addition to computation overheads, FITS also has communication overheads—the time to send and receive control packets for the FITS schemes. However, for the FITS-D scheme, the communication overheads are only several microseconds per session. For the FITS-I scheme, the communication overheads are several hundred microseconds per session. Consequently, compared with computation overheads, communication overheads can be ignored.

## 7 RELATED WORK

There has been extensive study of the incentive problems in routing and packet forwarding for wireless ad hoc networks. Generally, the solutions proposed follow one (or both) of the two approaches: the approach of reputation systems [2], [4], [5], [12], [15], [16], [17], [18], [21] and the approach of credit-based systems [1], [6], [7], [8], [13], [23], [24], [26], [27], [28], [29], [30], [31], [32]. Since we focus on reputation systems in this paper, we only focus on related works using this approach.

In a reputation system, the behavior of a node is observed by other nodes in the network; it gets a bad reputation if it appears to have dropped packets. Reputation systems can be divided into two categories: end-to-end reputation systems and the more recently proposed hop-by-hop reputation systems.

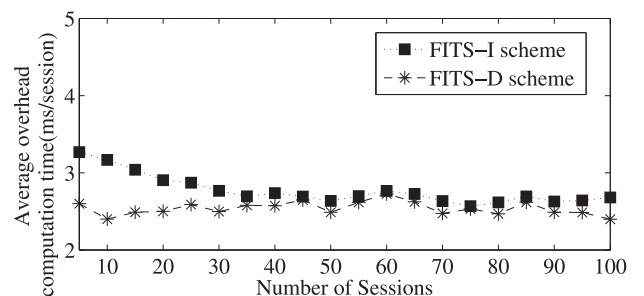


Fig. 11. Computation overheads of FITS schemes.

The first solution to the incentive-compatible packet forwarding problem is an end-to-end reputation system proposed by Marti et al. [16]. Another early solution proposed by Buchegger and Le Boudec is CONFIDANT [4], [5]. In these two systems, each node monitors nodes in the network and calculates their reputations.

In recent years, hop-by-hop reputation systems have been proposed to reduce the overheads of reputation systems. Good examples are SORI, proposed by He et al. [12] and Catch, proposed by Mahajan et al. [15].

The above reputation systems, along with many other reputation systems (e.g., [2], [17], [18], [21]), have a common limitation: they do not have rigorous analysis of their incentive compatibility. Hence, it is not clear what guarantee they can provide in terms of incentive compatibility.

As far as we know, Milan et al.'s GTFT [19] (which was first studied in a different context by Wu and Axelrod [25]) and Jaramillo and Srikant's DARWIN [14] are two reputation systems in wireless networks that have rigorous analysis. Both of them are shown to provide SPNE solutions. The major difference between FITS and these two reputation systems is that FITS is designed for a reputation game that lasts for a finite amount of time, while in [19] and [14], the reputation games are modeled to last infinite amount of time. In reality, a reputation system most likely runs for a finite amount of time only.

## 8 CONCLUSION AND FUTURE WORK

Reputation system is an important approach to solve the incentive compatibility problem in packet forwarding of wireless ad hoc networks. In this paper, we present the *first* formal study of reputation system in the model of *finite* repeated game. We believe that this is a more realistic model for reputation system, and thus, our results have significant practical implications.

The first result we obtain is the impossibility of building an SPNE solution using traditional reputation systems. This result implies that we must introduce a new technique if we want to establish SPNE solutions for our problem.

Then, we introduce the TTI technique and use it to build FITS, our new reputation system. FITS provides strong incentive compatibility for nodes to cooperate in packet forwarding. More precisely, there is an SPNE in which nodes forward all packets. This is proved theoretically and verified by experiments.

We note that our work has only addressed one aspect of reputation systems and left out many other aspects. For example, we have assumed a network of fixed topology. In contrast, there are also networks with dynamically changing topologies in reality. In these networks, building a reputation system is much more challenging. It would be nontrivial to establish finite-time reputation systems with provable incentive compatibility in these networks. Hence, this is an interesting topic for future study.

We also note that besides threat of interference, there are other techniques that can possibly be used in building finite-time reputation systems. One such technique is that a node shuts down its connection with a neighbor whenever it detects that the neighbor is dropping its packets. Again, it is nontrivial to use such techniques to establish a complete

reputation system and prove the incentive compatibility. Hence, we also leave this to future explorations.

## ACKNOWLEDGMENTS

This paper was partly done while Fan Wu was a student at SUNY Buffalo. This work was supported by the US National Science Foundation (NSF) CNS-0845149.

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