

Security and Privacy in Wireless Networks

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A Tutorial on Game Theory for Wireless Networks

Appendix B Security and Cooperation in Wireless Networks secowinet.epfl.ch

static games, dynamic games, repeated games, strict and weak dominance, Nash equilibrium, Pareto optimality, and subgame perfection

Chapter outline

B.1 IntroductionB.2 Static gamesB.3 Dynamic gamesB.4 Repeated games

Extensive-form games

- usually to model sequential decisions
- ➢ game represented by a tree
- Example 3 modified: the Sequential Multiple Access game: Blue plays first, then Green plays.



Strategies in dynamic games

The strategy defines the moves for a player for every node in the game, even for those nodes that are not reached if



TQ means that player p2 transmits if p1 transmits and remains quiet if p1 remains quiet.

Extensive to Normal form

Blue vs. Green	TT	TQ	QT	QQ
Т	(-C,-C)	(-C,-C)	(1-c,0)	(1-c 0)
Q	(0,1-c)	<mark>(0</mark> ,0)	(0, <mark>1-c</mark>)	(0,0)

Backward induction

- Solve the game by reducing from the final stage
- Eliminates Nash equilibria that are *increadible threats*



Backward induction solution: h={T, Q}

Subgame perfection

• Extends the notion of Nash equilibrium

One-deviation property: A strategy s_i conforms to the *one-deviation property* if there does not exist any node of the tree, in which a player *i* can gain by deviating from s_i and apply it otherwise.

Subgame perfect equilibrium: A strategy profile *s* constitutes a subgame perfect equilibrium if the one-deviation property holds for every strategy s_i in *s*.

Finding subgame perfect equilibria using backward induction

Subgame perfect equilibria: (T, QT) and (T, QQ)



Stackelberg games have one leader and one or several followers

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Repeated games

- repeated interaction between the players (in stages)
- move: decision in one interaction
- strategy: defines how to choose the next move, given the previous moves
- history: the ordered set of moves in previous stages
 - most prominent games are history-1 games (players consider only the previous stage)
- initial move: the first move with no history
- finite-horizon vs. infinite-horizon games
- stages denoted by t (or k)

Utilities: Objectives in the repeated game

- finite-horizon vs. infinite-horizon games
- myopic vs. long-sighted repeated game

myopic:
$$\overline{u}_i = u_i(t+1)$$

long-sighted finite: $\overline{u}_i = \sum_{t=0}^T u_i(t)$
long-sighted infinite: $\overline{u}_i = \sum_{t=0}^\infty u_i(t)$
payoff with discounting: $\overline{u}_i = \sum_{t=0}^\infty u_i(t) \cdot \omega^t$

 $0 < \omega \leq 1$ is the discounting factor

Strategies in the repeated game

- usually, history-1 strategies, based on different inputs:
 - others' behavior: $m_i(t+1) = s_i[m_{-i}(t)]$
 - others' and own behavior: $m_i(t+1) = s_i[m_i(t), m_{-i}(t)]$ - payoff: $m_i(t+1) = s_i[u_i(t)]$

Example strategies in the Forwarder's Dilemma:

Blue (t)	initial move	F	D	strategy name
Green (t+1)	F	F	F	AIIC
	F	F	D	Tit-For-Tat (TFT)
	D	D	D	AIID
	F	D	F	Anti-TFT



Analysis of the Repeated Forwarder's Dilemma (1/3)

infinite game with discounting:

$$\overline{u}_{i} = \sum_{t=0}^{\infty} u_{i}(t) \cdot \omega^{t}$$

Blue strategy	Green strategy	
AllD	AIID	
AllD	TFT	
AllD	AIIC	
AllC	AIIC	
AllC	TFT	
TFT	TFT	

Blue payoff	Green payoff	
0	0	
1	-C	
$1/(1-\omega)$	-c/(1-ω)	
(1-c)/(1- ω)	(1-c)/(1-ω)	
(1-c)/(1- ω)	$(1-c)/(1-\omega)$	
(1-c)/(1- ω)	$(1-c)/(1-\omega)$	

Analysis of the Repeated Forwarder's Dilemma

Blue strategy	Green strategy	Blue payoff	Green payoff
AIID	AIID	0	0
AllD	TFT	1	-C
AllD	AIIC	$1/(1-\omega)$	-c/(1-ω)
AllC	AIIC	(1-c)/(1-ω)	(1-c)/(1-ω)
AIIC	TFT	(1-c)/(1-ω)	(1-c)/(1-ω)
TFT	TFT	(1-c)/(1- ω)	(1-c)/(1-ω)

- AllC receives a high payoff with itself and TFT, but
- AllD exploits AllC
- AllD performs poor with itself
- TFT performs well with AllC and itself, and
- TFT retaliates the defection of AllD

TFT is the best strategy if ω is high !

Analysis of the Repeated Forwarder's Dilemma

Blue strategy	Green strategy	Blue payoff	Green payoff
AllD	AIID	0	0
TFT	TFT	(1-c)/(1-ω)	(1-c)/(1-ω)

Theorem: In the Repeated Forwarder's Dilemma, if both players play AlID, it is a Nash equilibrium.

Theorem: In the Repeated Forwarder's Dilemma, both players playing TFT is a Nash equilibrium as well.

The Nash equilibrium $s_{Blue} = TFT$ and $s_{Green} = TFT$ is Pareto-optimal (but $s_{Blue} = AIID$ and $s_{Green} = AIID$ is not) !

Experiment: Tournament by Axelrod, 1984

- > any strategy can be submitted (history-X)
- strategies play the Repeated Prisoner's Dilemma (Repeated Forwarder's Dilemma) in pairs
- number of rounds is finite but unknown
- > TFT was the winner
- second round: TFT was the winner again

R. Axelrod *The Evolution of Cooperation* Basic Books, 1984

Discussion on game theory

- Rationality
- Payoff function and cost
- Pricing and mechanism design (to promote desirable solutions)
- Infinite-horizon games and discounting
- Reputation
- Cooperative games
- Imperfect / incomplete information

Conclusions

- Game theory can help modeling greedy
 behavior in wireless networks
- Discipline still in its infancy
- Alternative solutions
 - Ignore the problem
 - Build protocols in tamper-resistant hardware