

# A Knowledge-Based Analysis of the Blockchain

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At the heart of the Bitcoin protocol is a protocol for achieving consensus on the *blockchain*, a public ledger that records bitcoin transactions. To the extent that the blockchain is used for applications such as contract signing and making certain transactions (such as house sales) public, we need to understand what guarantees the blockchain protocol gives us in terms of agents' knowledge. Here, we provide a complete characterization of agent's knowledge when running the blockchain protocol using a variant of common knowledge that takes into account the fact that agents can enter and leave the system, it is not known which agents are in fact following the protocol (some agents may want to deviate if they can gain by doing so), and the fact that the guarantees provided by the blockchain are probabilistic. We then consider some scenarios involving contracts and show that this level of knowledge suffices for some scenarios, but not others.

## 1 Introduction

At the heart of the Bitcoin protocol [10] is a protocol for achieving consensus on the *blockchain*, a public ledger that records bitcoin transactions.<sup>1</sup> Indeed, much of the promise of Bitcoin involves using the blockchain for applications that go far beyond a pure digital currency, such as an infrastructure for online payments, a way to record contracts and asset exchanges, and a basis for dispute resolution.<sup>2</sup>

At any given time when running blockchain protocols (i.e. protocols for constructing a blockchain), different agents typically have different views about which transactions are in the blockchain. With current blockchain protocols, it is also possible that a given transaction is included in agent  $i$ 's view of the blockchain at time  $m$  and not included at a later time  $m'$ . Nakamoto's protocol [2, 10, 11] gives guarantees in the spirit of the following, which we call  $T$ -consistency (where  $T$  is a non-negative integer): Say that a blockchain  $X$  is a  $T$ -prefix of a blockchain  $Y$  if  $X$  is any prefix of the blockchain that contains all but the last  $T$  transactions in  $Y$ .  $T$ -consistency says that if  $i$  is honest (i.e.,  $i$  has followed the protocol since joining the system) and  $X$  is a  $T$ -prefix of  $i$ 's blockchain at time  $m$ , then at all times  $m' \geq m$ , all honest agents will have  $X$  as a prefix of their blockchain.

Does  $T$ -consistency suffice to use the blockchain for the types of applications envisioned for it? If not, what else do we need? More generally, what guarantees do we get using the blockchain protocol? Of course, the answer to the latter question depends in part on the application. We focus here on contracts. In the old days, when agents got together in one place to sign a contract, the fact that the contract was in force was common knowledge: all agents knew that all agents knew that all agents knew ... that the contract was in force. Today, with electronic signatures, we can get the same effect if there is a global clock. Suppose that the attorneys require that signatures on the contract are received by 11:30 AM on the

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<sup>1</sup>A little more formally, a blockchain is a distributed database that can be viewed as a sequence of blocks of data.

<sup>2</sup>Statistics showing Bitcoin's increasing usage can be found at <https://blockchain.info/charts>; even today, the size of the replicated ledger is over 50MB. The article "The great chain of being sure about things" [*The Economist*, Oct. 31, 2015] provides a high-level discussion of potential applications of the blockchain.

global clock and, if they are, the contract will be in force at noon on the global clock. Then if signatures are indeed received by 11:30 AM and it is common knowledge that messages from the attorney are all received within at most 5 minutes, then at noon on the global clock all agents know that at noon on the global clock all agents know . . . that the contract is in force. That is, at noon, the agents have *common knowledge* that the contract is in force.

Can we get the equivalent common knowledge from  $T$ -consistency? As we show here,  $T$ -consistency does not suffice. Roughly speaking, the problem is the following: Suppose that at time  $t$  agent 1 has the signed contract in a  $T$ -prefix of his blockchain. Thus, at time  $t$ , agent 1 knows that the contract is in agent 2's blockchain, if 2 is honest. Unfortunately, the contract may not be in a  $T$ -prefix of 2's blockchain. Moreover, if 2's blockchain does not grow, it may never be in a  $T$ -prefix of 2's blockchain, so 2 will never know that 1 knows about the contract.

For agent 2 to know that the contract is on 1's blockchain, agent 2's blockchain has to grow sufficiently long that the contract is in a  $T$ -prefix of 2's blockchain. Moreover, for 1 to have a bound on the time by which he knows that 2 will have the contract in his blockchain, he must know that this growth will happen by a certain time. That guarantee is provided by the property called  $\Delta$ -weak growth [11], which says the following: if  $i$  is an honest agent and has a blockchain of length  $N$  at time  $t$ , then all honest agents will have blockchains of length  $N$  by time  $t + \Delta$ . (Note that  $\Delta$ -weak growth does not place any requirements on the content of the blockchain; it just talks about the length of the blockchain.  $T$ -consistency, on the other hand, does place requirements on the content of blockchains.) Here, we show that the combination of  $\Delta$ -weak growth and  $T$ -consistency suffices not just for agent 1 to know that agent 2 will know (within time  $\Delta$ ) that 1 will have the contract in his blockchain, the combination is necessary and sufficient to achieve  $\Delta$ -□-common knowledge among the honest agents that the contract is in all of their blockchains. Roughly speaking,  $\Delta$ -□-common knowledge [5, 6] of a formula  $\varphi$  holds among the honest agents if each honest agent knows that within  $\Delta$  all the honest agents will know from that point on that within  $\Delta$  all the honest agents will know from that point on . . .  $\varphi$ .

As shown in [1],  $\Delta$ -common knowledge (everyone knows within  $\Delta$  that everyone knows within  $\Delta$  . . .) suffices to ensure coordination among groups of agents within a time window of  $\Delta$ . In the context of contract signing, this means that once the first person has signed the contract, every honest party in the system will know within  $\Delta$  time units that the contract has been signed. But because the set of honest agents is a *non-rigid* or *indexical* set—its membership changes over time—it does *not* follow from  $\Delta$ -common knowledge that new honest agents who enter the system will also know about the contract being signed. This does follow from  $\Delta$ -□-common knowledge, which is why we want the stronger condition.

Things are yet more complicated in our setting because the formula  $\varphi$  of interest, being on the blockchain, is also agent dependent; a contract can be on 1's blockchain without being on 2's blockchain. Ignoring these subtleties, and just accepting for now that using the blockchain gives  $\Delta$ -□-common knowledge, the question then arises whether this is what we need for contracts. It is well known [1] that  $\Delta$ -common knowledge among a fixed group  $G$  of agents is necessary and sufficient for coordination within a time window of  $\Delta$ . That is, it is necessary and sufficient to guarantee that all agents in  $G$  perform a given action within a window of  $\Delta$ . (Thus, common knowledge is necessary and sufficient to guarantee simultaneous coordination.)  $\Delta$ -□-common knowledge turns out to be what is needed to extend this result to an indexical set of agents.  $\Delta$ -□-common knowledge (or just  $\Delta$ -common knowledge if the set of agents is fixed), in turn, suffices for time-stamped common knowledge if there is a global clock and a commonly-known upper bound on message-delivery time. Here, we show by example that while  $\Delta$ -□-common knowledge suffices for some scenarios involving contracts, it does not suffice for all of them. In general, a few extra properties are needed (which are also satisfied by some blockchain protocols). These examples make it clear that we need a better understanding of the blockchain properties needed

for various examples.

Nakamoto’s blockchain protocol [10] actually does not quite provide  $T$ -consistency and  $\Delta$ -weak growth [2, 11]; nor do subsequent blockchain protocols such as [12, 13]. These protocols just provide these properties with high probability. Our results (and the examples) for the deterministic case extend naturally to the probabilistic case.

## 2 Runs, systems, and knowledge: a review

**Runs and Systems:** In order to reason about the knowledge of agents running a blockchain protocol, we use the standard “runs and systems” framework [1], which we now briefly review. The description below is largely taken from [1], which should be consulted for more details and intuition. However, some new subtleties arise because the set of agents is not fixed.

A *multiagent system* consists of agents interacting over time. At each point in time, each agent is in some *local state*. Intuitively, an agent’s local state encapsulates all the information to which the agent has access. In the blockchain setting, we take agent  $i$ ’s local state at time  $m$  to be  $i$ ’s history:  $i$ ’s initial state together with the messages that agent  $i$  has sent and received (which together determine  $i$ ’s ledger at time  $m$ ) and the outcome of random coin tosses, if the agent is randomizing. This means that agents have what is called *perfect recall* [1]; roughly speaking, they do not forget facts that they have learned. It is also conceptually useful to have an “environment” whose state can be thought of as encoding everything relevant to the description of the system that may not be included in the agents’ local states. For example, the environment state might include a list of the agents currently in the system and which ones are honest; it could also include the time on some clock that none of the agents have direct access to. The *global state* of a system consists of the local state of each agent currently in the system and the environment’s state. (We define global state more formally below.)

A global state describes the system at a given point in time. But a system is not a static entity; it constantly changes. Since we are mainly interested in how systems change over time, we need to build time into our model. We define a *run* to be a function from time to global states. Intuitively, a run is a complete description of how the system’s global state evolves over time. For the purposes of this paper, we take time to range over the natural numbers. Thus, the initial global state of the system in a possible execution  $r$  is  $r(0)$ , the next global state is  $r(1)$ , and so on.

In general, there are many possible executions of a system: there could be a number of possible initial states and many things that could happen from each initial state. In the case of the blockchain protocol, even with a fixed initial state, there are different sets of agents who could join or leave the system at various points and messages could take different lengths of time to be delivered. Formally, a *system* is a nonempty set of runs. Intuitively, these runs describe all the possible sequences of events that could occur in the system. Thus, we are essentially identifying a system with its possible behaviors.

We will be particularly interested in the set of runs generated when the players are following a blockchain protocol  $P$ . Formally, a protocol for agent  $i$  is a function from  $i$ ’s local states to actions. When we talk about a protocol like the blockchain protocol, we implicitly have in mind a protocol for each agent. We think of the environment as running a protocol as well, which (among other things) determines which agents act in each global state, and which messages will be delivered. We use the environment’s protocol to model the adversary’s behavior. Since we are considering asynchronous systems, we allow the adversary to delay the messages for an arbitrary amount of time. We allow dishonest players, but we may want to limit the number of dishonest players, or limit what they can do. For simplicity, we assume that all of these choices are under the control of the environment. Thus, for example, the environment

decides which players are going to be dishonest, when they become dishonest, and what they do when they are dishonest. We typically think of the environment's protocol as being nondeterministic; for example, the adversary can nondeterministically choose how long it will take a message to be delivered or who is dishonest. Following [1], we take a *context*  $\gamma$  to be a pair consisting of a protocol  $P_e$  for the environment and a set of possible initial global states that the system can start in. Given a context  $\gamma$  and a protocol  $P$  for the agents, there is a system  $\mathcal{R}_{P,\gamma}$  generated by running protocol  $P$  in context  $\gamma$ . We refer the reader to [1] for a more formal treatment.<sup>3</sup>

In most previous work on multiagent systems, there are assumed to be a fixed number  $n$  of agents in the system, so for simplicity we take the set of agents to be  $\{1, \dots, n\}$  and take a global state to have the form  $(s_e, s_1, \dots, s_n)$ , where  $s_e$  denotes the environment state and  $s_i$  denotes agent  $i$ 's state. However, as we observed above, the set of agents in the systems we are interested in is an indexical set, whose membership may change. Thus, we can no longer take global states to have this form. We thus assume that there is a (possibly infinite) set  $\mathcal{AG}$  that contains the names of all agents that are ever in the system. Formally, an indexical set  $\mathcal{S}$  of agents in a system  $\mathcal{R}$  is a function from the points in  $\mathcal{R}$  to subsets of  $\mathcal{AG}$ ; intuitively,  $\mathcal{S}(r, m)$  is the set of agents in  $\mathcal{AG}$  who are in  $\mathcal{S}$  at the point  $(r, m)$ . We will be particularly interested in two indexical sets:  $\mathcal{A}$ , the set of agents currently in the system, and  $\mathcal{H}$ , the honest agents currently in the system, where  $\mathcal{H} \subseteq \mathcal{A}$  (more precisely,  $\mathcal{H}(r, m) \subseteq \mathcal{A}(r, m)$  for all points  $(r, m)$  in the system). We then take  $r(m)$ , the global state at a point  $(r, m)$ , to be the set  $\{(s_i, i) : i \in \mathcal{A}(r, m)\} \cup \{(s_e, e)\}$ ; that is,  $r(m)$  consists of the state of each agent currently in the system tagged by the agent's name, together with the environment state  $s_e$  tagged with “ $e$ ” for “environment”. (We assume that  $e \notin \mathcal{AG}$ , to avoid confusion.)

If  $i \in \mathcal{A}(r, m)$  and  $(s_i, i) \in r(m)$ , then define  $r_i(m) = s_i$ . We write  $(r, m) \sim_i (r', m')$  if agent  $i \in \mathcal{A}(r, m) \cap \mathcal{A}(r', m')$  and  $r_i(m) = r'_i(m')$ ; that is,  $(r, m) \sim_i (r', m')$  if  $i$  is in the system at both  $(r, m)$  and  $(r', m')$  and  $i$  has the same local state at both points. In systems with a fixed set of agents,  $\sim_i$  is an equivalence relation on the points in  $\mathcal{R}$ ; in our setting,  $\sim_i$  is an equivalence relation on  $\{(r, m) : i \in \mathcal{A}(r, m)\}$ . Define  $\mathcal{K}_i(r, m) = \{(r', m') : (r', m') \sim_i (r, m)\}$ . Note that if  $i \notin \mathcal{A}(r, m)$ , then  $\mathcal{K}_i(r, m) = \emptyset$ .

**Propositional and temporal reasoning in systems:** Assume that we have a set  $\Phi$  of primitive propositions whose truth is determined by the global state. In our intended applications, the primitive propositions will be statements such as “ $X$  is a  $T$ -prefix of  $i$ 's ledger” and “agent  $j$  is honest”. An *interpreted system* is a pair  $(\mathcal{R}, \pi)$  consisting of a system  $\mathcal{R}$  and an *interpretation*  $\pi$  that associates with each primitive  $p$  and global state  $s$  a truth value; that is,  $\pi(p, s) \in \{true, false\}$ . We can then define the truth of a Boolean combination of primitive propositions at a point  $(r, m)$  in an interpreted system  $\mathcal{I} = (\mathcal{R}, \pi)$  in the standard way:

$$\begin{aligned} (\mathcal{I}, r, m) \models p & \text{ for a primitive proposition } p \text{ iff } \pi(p, r(m)) = true \\ (\mathcal{I}, r, m) \models \varphi \wedge \psi & \text{ iff } (\mathcal{I}, r, m) \models \varphi \text{ and } (\mathcal{I}, r, m) \models \psi \\ (\mathcal{I}, r, m) \models \neg\varphi & \text{ iff } (\mathcal{I}, r, m) \not\models \varphi \end{aligned}$$

We can also reason about time using the standard temporal logic operator  $\Box$  and  $\bigcirc^\Delta$ :

$$\begin{aligned} (\mathcal{I}, r, m) \models \Box\varphi & \text{ iff } (\mathcal{I}, r, m') \models \varphi \text{ for all } m' \geq m \\ (\mathcal{I}, r, m) \models \bigcirc^\Delta\varphi & \text{ iff } (\mathcal{I}, r, m + \Delta) \models \varphi. \end{aligned}$$

As usual, we say that a formula  $\varphi$  is *valid* in  $\mathcal{I} = (\mathcal{R}, \pi)$  if  $(\mathcal{I}, r, m) \models \varphi$  for all points  $(r, m) \in \mathcal{R} \times \mathbb{N}$ .

<sup>3</sup>In [1], the context had other components. We can ignore these for our purposes here.

### 3 Blockchain properties

The blockchain is a protocol for constructing a *distributed ledger*. What this means is that each agent running the blockchain protocol has a current view of the ledger, where a ledger is just a sequence  $(t_1, t_2, \dots, t_N)$  of transactions. The details of the transactions are not relevant to our discussion here; for our purposes, we can just assume that there is a (commonly known) set  $T$  of possible transactions, and each element  $t_i$  in the ledger is in  $T$ .

We think of the ledger constructed by the blockchain protocol as being a “public” ledger. Since each agent running the blockchain protocol has its own view of the ledger, and the set of agents running the protocol can change over time, we need to explain more carefully what “public” means in this context. Given a ledger  $L = (t_1, \dots, t_N)$ , the *length* of the ledger  $L$ , denoted  $|L|$ , is  $N$ . A prefix of  $L$  has the form  $(t_1, \dots, t_{N'})$ , with  $N' \leq N$ . A  $T$ -prefix of  $L$  is ledger of the form  $(t_1, \dots, t_M)$ , with  $M \leq N - T$  (so is the empty sequence if  $N \leq T$ ).

Some agents might deviate from a blockchain protocol, especially if they think it is advantageous to do so. Say that an agent is *honest* at time  $m$  if  $i$  is an agent in the system at time  $m$  and it has followed the protocol from the time that it joined the system up to time  $m$ . Consider the following three properties of a run  $r$ :

- ( $T$ -consistency:) For all times  $m$  and  $m' \geq m$ , if  $i$  is honest at time  $m$  in run  $r$ ,  $L'$  is a  $T$ -prefix of  $L_i(r, m)$ ,  $i$  ledger at time  $m$  in run  $r$ , and  $j$  is honest at time  $m'$ , then  $L'$  is a prefix of  $L_j(r, m')$ .
- ( $\Delta$ -weak growth:) For all times  $m$  and  $m' \geq m + \Delta$ , if  $i$  is honest at time  $m$  in  $r$  and  $j$  is honest at time  $m'$ , then  $|L_j(r, m')| \geq |L_i(r, m)|$ .
- $T$ - $\Delta$ -acceptability: For all times  $m$  and  $m' \geq m$ , if  $i$  is honest at time  $m$  in  $r$ ,  $L'$  is a  $T$ -prefix of  $L_i(r, m)$ , and  $j$  is honest at time  $m' + \Delta$ , then  $L'$  is a  $T$ -prefix of  $L_j(r, m' + \Delta)$ .

The following is almost immediate:

**Proposition 3.1:** *If a run satisfies  $T$ -consistency and  $\Delta$ -weak-growth, then it is  $T$ - $\Delta$ -acceptable.*

**Proof:** Suppose that a run  $r$  satisfies  $T$ -consistency and  $\Delta$ -weak-growth. If  $i$  is honest at time  $m$  in  $r$ ,  $L'$  is a  $T$ -prefix of  $L_i(r, m)$ ,  $m' \geq m$ , and  $j$  is honest at time  $m' \geq m + \Delta$ , then by  $T$ -consistency,  $L'$  is a prefix of  $L_j(r, m')$ ; by  $\Delta$ -weak-growth,  $|L_j(r, m')| \geq |L_i(r, m)|$ , so  $L'$  is a  $T$ -prefix of  $L_j(r, m')$ . ■

A protocol  $P$  is  $T$ -consistent (resp., satisfies  $\Delta$ -weak growth, is  $T$ - $\Delta$ -acceptable) in context  $\gamma$  iff all runs in  $\mathcal{R}_{P, \gamma}$  satisfy  $T$ -consistency (resp.,  $\Delta$ -weak growth,  $T$ - $\Delta$ -acceptability). It follows immediately from Proposition 3.1 that if a protocol is  $T$ -consistent and satisfies  $\Delta$ -weak growth in context  $\gamma$ , then it is  $T$ - $\Delta$ -acceptable in context  $\gamma$ .

There is no known blockchain protocol that is  $T$ - $\Delta$ -acceptable; that is, none guarantees the properties of  $T$ -consistency and  $\Delta$ -weak growth. However, as shown in [2, 11], Nakamoto’s blockchain protocol guarantees that these properties hold with high probability (taken over the runs of the protocol) in appropriate contexts (roughly, under the assumption that a majority of the players are honest, and that some systems parameters—specifically, what is referred to as the “mining hardness”—are appropriately set as a function of the worst-case delay on the networks), and hence is  $T$ - $\Delta$ -acceptable with high probability in those contexts. We defer a discussion of protocols with probabilistic guarantees to Section 6.

### 4 A temporal characterization of blockchain protocols

We can already give a characterization of blockchain protocols, without using knowledge. The characterization involves statements about honest agents. In the language, we have primitive propositions  $i \in \mathcal{H}$

and  $T\text{-prefix}(X, L_i)$ . We take  $\pi_P$  to be such that  $i \in \mathcal{H}$  is true at  $(r, m)$  if  $i \in \mathcal{H}(r, m)$  and  $T\text{-prefix}(X, L_i)$  is true at  $(r, m)$  if  $X$  is a  $T$ -prefix of  $L_i(r, m)$ . Given a context  $\gamma$ , let  $\mathcal{I}_{P,\gamma} = (\mathcal{R}_{P,\gamma}, \pi_P)$ . Note that whether  $P$  is  $T$ - $\Delta$ -acceptable will, in general, depend on the context and, more specifically, what the adversary is allowed to do.

**Proposition 4.1:** *If  $r$  is a  $T$ - $\Delta$ -acceptable run of a protocol  $P$ , then*

$$(\mathcal{I}_{P,\gamma}, r, m) \models i \in \mathcal{H} \wedge T\text{-prefix}(X, L_i) \Rightarrow \bigcirc^\Delta \square (j \in \mathcal{H} \Rightarrow T\text{-prefix}(X, L_j)).$$

**Proof:** This is almost immediate from the definition of  $T$ - $\Delta$ -acceptability, so we omit the details here. ■

**Corollary 4.2:**  *$P$  is  $T$ - $\Delta$ -acceptable in context  $\gamma$  iff for all  $i, j \in \mathcal{AG}$  and blockchains  $X$ , the formula*

$$i \in \mathcal{H} \wedge T\text{-prefix}(X, L_i) \Rightarrow \bigcirc^\Delta \square (j \in \mathcal{H} \Rightarrow T\text{-prefix}(X, L_j))$$

is valid in  $\mathcal{I}_{P,\gamma}$ .

We also want an analogous characterization of blockchain protocols that give only probabilistic guarantees. However, there are some subtleties involved in dealing with probability, so we defer this to Section 6.

## 5 $\Delta$ - $\square$ -common knowledge and indexical sets

While Corollary 4.2 does give us a characterization of blockchain protocols, it does not give a good intuition regarding what assurances agents have when they run a blockchain protocol. To provide this, we need to add the agents' knowledge to the picture.

The standard way to reason about the knowledge of agents is to add a modal operators  $K_i$  to the language, where  $K_i\varphi$  is read “agent  $i$  knows  $\varphi$ .” As usual, we say that  $K_i\varphi$  holds at a point  $(r, m)$  if  $\varphi$  holds at all points that  $i$  can't distinguish from  $(r, m)$ :

$$(\mathcal{I}, r, m) \models K_i\varphi \text{ iff } (\mathcal{I}, r', m') \models \varphi \text{ for all } (r', m') \in \mathcal{H}_i(r, m).$$

Given a fixed set  $G$  of agents, we take common knowledge among  $G$  to hold if everyone in  $G$  knows, everyone in  $G$  knows that everyone in  $G$  knows, and so on. We add operators  $E_G$  and  $C_G$  to the language for “everyone in  $G$  knows” and “it is common knowledge among the agents in  $G$ ”. Taking  $E_G^{n+1}\varphi$  to be an abbreviation of  $E_G E_G^n \varphi$ , we have

$$\begin{aligned} (\mathcal{I}, r, m) \models E_G \varphi &\text{ iff } (\mathcal{I}, r, m) \models K_i \varphi \text{ for all } i \in G \\ (\mathcal{I}, r, m) \models C_G \varphi &\text{ iff } (\mathcal{I}, r, m) \models E_G^n \varphi \text{ for all } n \geq 1. \end{aligned}$$

There are two ways in which  $C_G$  is insufficient for our purposes. For one thing, as is well known [1], common knowledge is closely related to simultaneous coordination; we cannot obtain common knowledge in asynchronous systems, where there is no common clock; we are interested in the asynchronous setting for blockchain applications. Thus, we must consider variants of common knowledge, such as  $\Delta$ -common knowledge, that are attainable for some appropriate  $\Delta$  (at least, if we can assure that clocks are synchronized reasonably closely, an assumption that is quite plausible for our application domain). Secondly, we will typically be interested in facts that are  $(\Delta)$ -common knowledge among the honest agents, an indexical set. So we need to define common knowledge relative to indexical sets  $\mathcal{I}$ .

In general, an agent in  $\mathcal{S}$  may not know that it is in  $\mathcal{S}$ . For example, an agent  $i$  may not know if it is honest at time  $m$ ; perhaps some fault resulted in it not following the protocol at the previous step. It might seem that the obvious way to define  $E_{\mathcal{S}}\varphi$  is just as  $\bigwedge_{i \in \mathcal{S}} K_i \varphi$ , in analogy to the way that  $E_G \varphi$  is defined. As shown in [1, 9], this whether it is in  $\mathcal{S}$  (i.e., if it is not the case that  $i \in \mathcal{S} \Rightarrow K_i(i \in \mathcal{S})$  is valid; note that the latter condition implies that  $i \notin \mathcal{S} \Rightarrow K_i(i \notin \mathcal{S})$  is also valid). Instead, following [9], we define  $B_i^{\mathcal{S}} \varphi$  to be an abbreviation for  $K_i(i \in \mathcal{S} \Rightarrow \varphi)$ ; that is,  $B_i^{\mathcal{S}} \varphi$  holds if  $i$  knows that if it is in  $\mathcal{S}$ , then  $\varphi$  holds. Thus,

$$(\mathcal{S}, r, m) \models B_i^{\mathcal{S}} \varphi \text{ iff } (\mathcal{S}, r', m') \models \varphi \text{ for all } (r', m') \in \mathcal{K}_i(s) \text{ such that } i \in \mathcal{S}(r', m').$$

We can now define  $E_{\mathcal{S}} \varphi$  as  $\bigwedge_{i \in \mathcal{S}} B_i^{\mathcal{S}} \varphi$ , and  $C_{\mathcal{S}} \varphi$  as  $\bigwedge_{n \geq 1} E_{\mathcal{S}}^n \varphi$ ; more precisely,  $(\mathcal{S}, r, m) \models E_{\mathcal{S}} \varphi$  iff  $(\mathcal{S}, r, m) \models B_i^{\mathcal{S}} \varphi$  for all  $i \in \mathcal{S}(r, m)$  and  $(\mathcal{S}, r, m) \models C_{\mathcal{S}} \varphi$  iff  $(\mathcal{S}, r, m) \models E_{\mathcal{S}}^n \varphi$  for all  $n \geq 1$ . It is easy to check that  $K_i \varphi \Rightarrow B_i^{\mathcal{S}} \varphi$  is valid and if  $i$  knows whether  $i$  is in  $\mathcal{S}$ , then  $E_{\mathcal{S}} \varphi$  is equivalent to  $\bigwedge_{i \in \mathcal{S}} K_i \varphi$ .

We will be interested in some variants of common knowledge. Since they are all defined the same way, we give the general approach once and for all. Let  $X$  be a sequence of modal operators. Then we define  $C_{\mathcal{S}}^X \varphi$  to hold if  $(XE_{\mathcal{S}})^n \varphi$  holds for all  $n \geq 1$ , where  $(XE_{\mathcal{S}})^1 \varphi$  is just  $XE_{\mathcal{S}} \varphi$  and  $(XE_{\mathcal{S}})^{n+1} \varphi$  is  $XE_{\mathcal{S}}(XE_{\mathcal{S}})^n \varphi$ . Clearly,  $C_{\mathcal{S}}$  is  $C_{\mathcal{S}}^X$  where  $X$  is the empty sequence. For  $\Delta \geq 0$ ,  $\Delta$ -common knowledge is  $C_{\mathcal{S}}^X$  where  $X$  is  $\bigcirc^{\Delta}$ .<sup>4</sup>

One reason for the interest in  $(\Delta)$ -common knowledge is because of its tight connection to coordination. As mentioned in the introduction,  $\Delta$ -common knowledge is a necessary and sufficient condition for agents to coordinate within a window of  $\Delta$ . For the reasons discussed in the introduction, we are interested in  $\Delta$ - $\square$ -common knowledge, that is,  $C_{\mathcal{S}}^X$  where  $X$  is  $\bigcirc^{\Delta} \square$ .

We want to prove that a formula of the form  $i \in \mathcal{S} \wedge \psi \Rightarrow C_{\mathcal{S}}^X \psi$  is valid. The standard way to prove that  $\psi \Rightarrow C_G \varphi$  (for a fixed group  $G$ ) is valid is to show that  $\psi \Rightarrow C_G(\varphi \wedge \psi)$ . This is called the *induction rule*. As observed in [1, Exercise 6.13(d)], the induction rule can also be used for indexical common knowledge. We want to apply it to indexical variants of common knowledge. Say that  $Y$  is a *simple* sequence of modal operators if there is a relation  $\mathcal{Y}$  on points such that  $(\mathcal{S}, r, m) \models Y \varphi$  iff  $(\mathcal{S}, r', m') \models \varphi$  for all points  $(r', m') \in \mathcal{Y}(r, m) = \{(r', m') : ((r, m), (r', m')) \in \mathcal{Y}\}$ . Note that  $\bigcirc^{\Delta}$  and  $\square$  are simple, and simple operators are closed under composition, so  $\bigcirc^{\Delta} \square$  is simple.

**Lemma 5.1:** *If  $Y$  is simple and  $i \in \mathcal{H} \wedge \psi \Rightarrow YE_{\mathcal{H}}(\varphi \wedge \psi)$  is valid for all  $i \in \mathcal{H}$ , then so is  $i \in \mathcal{H} \wedge \psi \Rightarrow C_{\mathcal{H}}^Y(\varphi)$ .*

We defer the proof of this and all later results to the full paper.

The formula  $i \in \mathcal{H} \wedge T\text{-prefix}(X, L_i) \Rightarrow \bigcirc^{\Delta} \square(j \in \mathcal{H} \Rightarrow T\text{-prefix}(X, L_j))$  from Proposition 4.1 is actually not far from having the form  $i \in \mathcal{S} \wedge \psi \Rightarrow YE_{\mathcal{S}}(\varphi \wedge \psi)$  needed to apply Lemma 5.1. The antecedent of the formula has the right form, and  $Y$  is clearly  $\bigcirc^{\Delta} \square$ , which, as we have observed, is simple. It is also not hard to show that  $(j \in \mathcal{H} \Rightarrow T\text{-prefix}(X, L_j))$  implies  $B_j^{\mathcal{H}}(T\text{-prefix}(X, L_j))$ . The only thing that prevents us from applying Lemma 5.1 is that the arguments of the  $B_j$  operators are different formulas. But they all say roughly the same thing:  $X$  is a  $T$ -prefix of “my” ledger. We now modify the logic so that the formulas say exactly this.

Specifically, we add the primitive propositions  $T\text{-prefix}(X, L)$  and  $I \in \mathcal{H}$  to the language. The intended interpretation of the first formula is just what we said above: “ $X$  is a  $T$ -prefix of my ledger”;

<sup>4</sup>There are two differences between the presentation of  $\Delta$ -common knowledge here and that in [1]. The first is that we define variants of common knowledge in terms of infinite conjunctions rather than in terms of fixed points. Secondly, in [1],  $\Delta$ -common knowledge of  $\varphi$  is taken to hold at the point  $(r, m)$  if there is an interval of size  $\Delta$  such that for each agent  $i$ ,  $K_i \varphi$  holds at some point in the interval. The definition given here is the one given in [5]. In the presence of perfect recall (which, as we have observed, holds in the systems that we consider), the two definitions can be shown to be equivalent.

the intended interpretation of the second formula is “I am honest”. These are *agent-relative* formulas; following [3, 4], we give such formulas semantics by having an agent on the left-hand side of  $\models$  as well as  $(\mathcal{S}, r, m)$ . We have to redefine the semantics of all formulas in the more general setting. The semantics of conjunction and negation and of temporal operators is unaffected, but the semantics of some of the primitive propositions and of the knowledge operator is affected. Specifically,

$$\begin{aligned}
(\mathcal{S}, r, m, i) &\models T\text{-prefix}(X, L) \text{ iff } X \text{ is a } T\text{-prefix of } L_i(m) \\
(\mathcal{S}, r, m, i) &\models I \in \mathcal{H} \text{ iff } i \in \mathcal{H}(r, m) \\
(\mathcal{S}, r, m, i) &\models \varphi \wedge \psi \text{ iff } (\mathcal{S}, r, m, i) \models \varphi \text{ and } (\mathcal{S}, r, m, i) \models \psi \\
(\mathcal{S}, r, m, i) &\models \neg\varphi \text{ iff } (\mathcal{S}, r, m, i) \not\models \varphi \\
(\mathcal{S}, r, m, i) &\models \Box\varphi \text{ iff } (\mathcal{S}, r, m', i) \models \varphi \text{ for all } m' \geq m \\
(\mathcal{S}, r, m, i) &\models \bigcirc^\Delta\varphi \text{ iff } (\mathcal{S}, r, m + \Delta, i) \models \varphi \\
(\mathcal{S}, r, m, i) &\models K_j\varphi \text{ iff } (\mathcal{S}, r', m', j) \models \varphi \text{ for all } (r', m') \in \mathcal{K}_j(r, m)
\end{aligned}$$

Note that in the semantics for  $K_j\varphi$ , we use  $\mathcal{K}_j$  and give the semantics relative to  $j$ . Intuitively, this says that  $j$  knows  $\varphi$  from  $i$ 's perspective if  $j$ 's interpretation of  $\varphi$  is true in all worlds that  $j$  considers possible. Although other choices are possible (see [3] for discussion), this choice is the one that was adopted in [3, 4] and works well for our purposes. The remaining clauses of the definition of  $\models$  are the same as before; we omit the details here. The agent  $i$  just comes along for the ride, so to speak, in the other clauses; it is only relevant in giving semantics where who “I” is matters. We continue to view  $B_i^{\mathcal{S}}\varphi$  as an abbreviation for  $K_i(i \in \mathcal{S} \Rightarrow \varphi)$  and  $E_{\mathcal{S}}\varphi$  as an abbreviation for  $\bigwedge_{i \in \mathcal{S}} B_i^{\mathcal{S}}\varphi$ . The definition  $C_{\mathcal{S}}^{\Delta}\varphi$  is also unchanged. Say that  $(\mathcal{S}, r, m) \models \varphi$  if  $(\mathcal{S}, r, m, i) \models \varphi$  for all agents  $i$ . As before,  $\varphi$  is valid in  $\mathcal{S}$  if  $(\mathcal{S}, r, m) \models \varphi$  for all points  $(r, m)$ .

This language gives us just what we want.

**Theorem 5.2:** *The following are equivalent:*

- (a)  $P$  is  $T$ - $\Delta$ -acceptable in context  $\gamma$ ;
- (b) for all  $i, j \in \mathcal{AG}$  and blockchains  $X$ ,

$$i \in \mathcal{H} \wedge T\text{-prefix}(X, L_i) \Rightarrow \bigcirc^\Delta \Box (j \in \mathcal{H} \Rightarrow T\text{-prefix}(X, L_j))$$

is valid in  $\mathcal{I}_{P, \gamma}$ .

- (c) for all blockchains  $X$ ,  $I \in \mathcal{H} \wedge T\text{-prefix}(X, L) \Rightarrow \bigcirc^\Delta \Box E_{\mathcal{H}}(T\text{-prefix}(X, L))$  is valid in  $\mathcal{I}_{P, \gamma}$ .

- (d) for all blockchains  $X$ ,  $I \in \mathcal{H} \wedge T\text{-prefix}(X, L) \Rightarrow C_{\mathcal{H}}^{\bigcirc^\Delta \Box}(T\text{-prefix}(X, L))$  is valid in  $\mathcal{I}_{P, \gamma}$ .

An immediate consequence of Theorem 5.2 is that  $T$ -consistency does not suffice to get  $\Delta$ - $\Box$  common knowledge; we really do need  $\Delta$ -weak growth. (It is also not hard to construct an explicit example showing this.)

## 6 Adding probability to the framework

To give semantics to questions like ‘What is the probability according to agent  $i$  that transaction  $t$  is in agent  $j$ 's ledger?’ at a point  $(r, m)$ , agent  $i$  needs a probability defined on points in  $\mathcal{K}_i(r, m)$ , the points that  $i$  considers possible at  $(r, m)$ . Agent  $i$ 's probability of a formula  $\varphi$  at the point  $(r, m)$  is then just the probability of the set of points in  $\mathcal{K}_i(r, m)$  where  $\varphi$  is true.



To define a probability on the points in  $\mathcal{X}_i(r, m)$ , we use the approach suggested by Halpern and Tuttle [7]. Given a protocol  $P$  run in a context  $\gamma$ , ideally, we would have a probability on the runs in  $R_{P,\gamma}$ . However, it may not be reasonable to assume a single probability on the runs in  $R_{P,\gamma}$ , since that would require a probability on the adversary's nondeterministic choices. The first step (quite standard in distributed computing) is to factor out these choices so that, intuitively, there is only one nondeterministic choice, and that is made at the first step—the adversary chooses a deterministic or probabilistic protocol. We then partition the set of runs into a set  $\mathcal{C}$  of cells, and assume that we have, for each cell  $C \in \mathcal{C}$ , a probability  $\mu_C$  on the runs in cell  $C$ . Intuitively, each cell  $C$  consists of the set of runs where the adversary is using a particular probabilistic (or deterministic) protocol. Let  $\mathcal{C}(r)$  denote the unique cell containing the run  $r$ . We take a probabilistic interpreted system to be a tuple  $\mathcal{I} = (\mathcal{R}, \pi, \mathcal{C}, \{\mu_C\}_{C \in \mathcal{C}})$ . Given a probabilistic protocol  $P$  and a context  $\gamma$ , we assume that  $\gamma$  determines  $\mathcal{C}$  and  $P$  and  $\gamma$  together determine  $\{\mu_C\}_{C \in \mathcal{C}}$ , so that the probabilistic interpreted system  $\mathcal{I}_{P,\gamma}$  is well defined.

We want an analogue of Theorem 5.2 for probabilistic systems. We first define a probabilistic analogue of acceptability.

**Definition 6.1:** A blockchain protocol  $P$  is  $T$ - $\Delta$ - $\varepsilon$ -acceptable in context  $\gamma$ , if, for all cells  $C$  in  $\mathcal{I}_{P,\gamma}$ ,  $\mu_C(\{r \in C : r \text{ is } T\text{-}\Delta\text{-acceptable}\}) \geq 1 - \varepsilon$  (i.e., no matter what protocol the adversary is using, with probability at least  $1 - \varepsilon$ , the probability that a run is  $T$ - $\Delta$ -acceptable is at least  $1 - \varepsilon$ ). ■

In Definition 6.1,  $\mu_C$  is a probability on runs: that is, appropriate properties hold with high probability taken on runs. But the analogue of Theorem 5.2 that we are interested in considers agents' beliefs at a point. It is consistent that a protocol  $P$  is  $T$ - $\Delta$ - $\varepsilon$ -acceptable, yet an honest agent  $i$  gets some information at a point  $(r, m)$  that tells  $i$  that  $P$  is somehow compromised and  $r$  is not  $T$ - $\Delta$ - $\varepsilon$ -acceptable. While it is unlikely that  $i$  gets such information, it is not impossible.

We deal with this using an idea that goes back to Moses and Shoham [8]. Let  $acc$  be a predicate on runs; that is,  $acc(r)$  is either true or false for each run  $r$ . Intuitively, we think of  $acc(r)$  as holding exactly if  $r$  is  $T$ - $\Delta$ -acceptable, but we do not need to require this. We will restrict attention to runs that satisfy  $acc$  in all our definitions. We abuse notation and also view  $acc$  as a primitive proposition in the language, and take  $\pi$  to be such that  $(\mathcal{I}, r, m) \models acc$  iff  $acc(r)$  holds. We say that an interpretation  $\pi$  is *acceptable with respect to*  $\mathcal{R}_{P,\gamma}$  if  $\pi$  interprets  $i \in \mathcal{H}$  and  $T$ -prefix( $X, L_i$ ) as discussed earlier, and interprets  $acc$  so that it depends only on the run; that is,  $\pi(acc, r(m)) = \pi(acc, r(0))$ , so that  $acc$  is true either at all points of a run or none of them. Acceptable interpretations can differ only in how they interpret  $acc$ .

Define  $B_i^{\mathcal{I}, acc} \varphi$  to be an abbreviation of  $K_i(i \in \mathcal{I} \wedge acc \Rightarrow \varphi)$  and  $E_{\mathcal{I}}^{acc} \varphi$  be an abbreviation of  $\bigwedge_{i \in \mathcal{I}} B_i^{\mathcal{I}, acc} \varphi$ . If  $Y$  is a simple operator, let  $C_{\mathcal{I}}^{Y, acc} \varphi$  be the infinite conjunction  $\bigwedge_{n \geq 1} (Y E_{\mathcal{I}}^{acc})^n \varphi$ .

Finally, add the formula  $init(\Pr(\varphi) \geq \alpha)$  to the language, where if  $\mathcal{I} = (\mathcal{R}, \pi, \mathcal{C}, \{\mu_C\}_{C \in \mathcal{C}})$ , then  $(\mathcal{I}, r, m) \models init(\Pr(\varphi) \geq \alpha)$  if  $\mu_{C(r)}(\{r \in C(r) : (\mathcal{I}, r, 0) \models \varphi\}) \geq \alpha$ . Intuitively,  $init(\Pr(\varphi) \geq \alpha)$  is true at  $(r, m)$  if the prior probability of  $\varphi$  being always true is at least  $\alpha$ , given the adversary is using the protocol determined by  $C(r)$ .

Now essentially the same arguments as those used to prove Lemma 5.1 and Theorem 5.2 can be used to prove the following analogues of these results.

**Lemma 6.2:** If  $i \in \mathcal{H} \wedge \psi \wedge acc \Rightarrow \bigcirc^{\Delta} \square E_{\mathcal{H}}^{acc}(\varphi \wedge \psi)$  is valid for all  $i \in \mathcal{H}$ , then so is  $i \in \mathcal{H} \wedge \psi \Rightarrow C_{\mathcal{H}}^{\bigcirc^{\Delta} \square, acc} \varphi$ .

**Theorem 6.3:** The following are equivalent:

- (a)  $P$  is  $T$ - $\Delta$ - $\varepsilon$ -acceptable in context  $\gamma$ ;

(b) there is an interpretation  $\pi$  acceptable for  $\mathcal{R}_{P,\gamma}$  such that for all  $i, j \in \mathcal{AG}$  and blockchains  $X$ ,

$$\text{init}(\text{Pr}(\text{acc}) \geq 1 - \varepsilon) \wedge [i \in \mathcal{H} \wedge T\text{-prefix}(X, L_i) \wedge \text{acc} \Rightarrow (\bigcirc^\Delta \square (j \in \mathcal{H} \Rightarrow T\text{-prefix}(X, L_j)))]$$

is valid in  $(\mathcal{R}_{P,\gamma}, \pi)$ .

(c) there is an interpretation  $\pi$  acceptable for  $\mathcal{R}_{P,\gamma}$  such that for all blockchains  $X$ ,

$$\text{init}(\text{Pr}(\text{acc}) \geq 1 - \varepsilon) \wedge [I \in \mathcal{H} \wedge T\text{-prefix}(X, L) \wedge \text{acc} \Rightarrow \bigcirc^\Delta \square E_{\mathcal{H}}^{\text{acc}}(T\text{-prefix}(X, L)))]$$

is valid in  $(\mathcal{R}_{P,\gamma}, \pi)$ .

(d) there is an interpretation  $\pi$  acceptable for  $\mathcal{R}_{P,\gamma}$  such that for all blockchains  $X$ ,

$$\text{init}(\text{Pr}(\text{acc}) \geq 1 - \varepsilon) \wedge [I \in \mathcal{H} \wedge T\text{-prefix}(X, L) \wedge \text{acc} \Rightarrow C_{\mathcal{H}}^{\bigcirc^\Delta \square, \text{acc}}(T\text{-prefix}(X, L))]$$

is valid in  $(\mathcal{R}_{P,\gamma}, \pi)$ .

## 7 Discussion

Our results provide a characterization of two natural properties of blockchains— $T$ -consistency [2, 10, 11], and  $\Delta$ -weak growth [11]—in terms of  $\Delta$ -common knowledge of a  $T$ -prefix of the chain. What does this tell us in terms of what we can use the blockchain for?

First, note that neither consistency or growth tell us anything about how player can *add* content to the blockchain. In [2, 11] an additional property, referred to as  $\Delta'$ -*liveness*, is defined, which, roughly speaking, stipulates that if an honest player wants to add some message to the blockchain, it will appear there within  $\Delta'$  time. We can easily characterize this property by adding appropriate primitive propositions to the language.

A more interesting question relates to when  $\Delta$ -common knowledge suffices for applications such as, for example, contract signing. Consider a simple game-theoretic model to illustrate some of the subtleties. We have two players, and a third entity, the judge. For simplicity, assume that the system is synchronous. (We can easily extend these ideas to asynchronous systems, but there are a number of minor subtleties that are orthogonal to the main points we want to present, so we stick to synchronous systems here.) In each round, each player observes the contents of her blockchain and either signs the contract or waits.

The utility of the players is defined as follows:

- If event  $E$  happens on some  $T$ -prefix of the judge's blockchain (where, formally, an event  $E$  is just a set of prefixes of blockchains, and  $E$  happens on a  $T$ -prefix  $L'$  if  $L' \in E$ ) and both players sign the contract within  $\tilde{\Delta} \geq 2\Delta$  steps of  $E$  happening (on the judge's blockchain) for the first time, then both players get some “high” utility.
- If one player signs and the other does not, the signing player gets utility  $-\infty$ , and the non-signer gets utility 0. If nobody ever signs the contract, both players get utility 0.
- Finally, a player who signs the contract without event  $E$  happening on a  $T$ -prefix of the judge's blockchain within  $\tilde{\Delta}$  steps gets utility  $-\infty$ .

Intuitively, the game models a situation where, based on the content of the blockchain (and in particular, whether the event  $E$  happens on a  $T$ -prefix of the blockchain), players both want to sign a contract, but only if 1) the event actually happened, and 2) *both* players actually sign fast enough after the event happening.

If this game is played in the presence of a blockchain that satisfies  $T$ -consistency and  $\Delta$ -growth, then it is clearly a Nash equilibrium for players to sign the contract whenever  $E$  happens on some  $T$ -prefix of their blockchain: by  $\Delta$ -weak growth, the chain of the other player will be at least as long within  $\Delta$  time, so by  $T$ -consistency,  $E$  will also hold in his  $T$ -prefix; finally, by  $\Delta$ -weak growth and  $T$ -consistency, this could have happened at most  $\Delta$  time ago for the judge. Thus, both players will sign within  $\Delta$  time of each other and this must happen within  $2\Delta$ -steps of when  $E$  first happens on some  $T$ -prefix of the judge's blockchain. The key point is that when  $E$  first happens on the judge's blockchain, it is  $\tilde{\Delta}$ -common knowledge that it has happened and that, within at most  $\tilde{\Delta}$ , it will be on some  $T$ -prefix of the judge's blockchain. It is easy to check that this property suffices to guarantee that signing when they know that  $E$  has happened will give both players high utility. There is a sense in which this condition is necessary. Suppose that we build a contract-signing protocol on top of another protocol that handles knowledge dissemination (which, for us, is the blockchain protocol). Roughly speaking, this means that the contract-signing protocol does not affect the agents' knowledge about  $E$ . Then, if we assume that if  $E$  has not yet happened, then both players assign positive probability to  $E$  never happening, the knowledge-dissemination protocol has to guarantee this level of knowledge for the contract-signing protocol to be able to guarantee the agents high utility when  $E$  does happen. (We make this precise in the full paper.)

Note that in this game, the "actions" (i.e., whether to sign) in the game are external to the blockchain and utilities are defined based on these external actions. If we had used a blockchain that also satisfies  $\Delta'$ -liveness, we could have defined utility only as a function of the judge's blockchain: instead of playing the action  $S$ , the players get to interact with the blockchain and can add content to it; "signing a contract" now means adding a digitally signed version of the contract to the blockchain. The judge gives both players high utility if versions of the contract digitally signed by each of them appear on the judge's blockchain within some appropriate time  $\tilde{\Delta}'$  after  $E$  first happens on some  $T$ -prefix of the judge's blockchain.

An alternative way to model this game would be to instead require the digital signatures to arrive on the judge's blockchain within some  $T'$  blocks after event  $E$  first happens. If the blockchain satisfies an additional property referred to as the *chain growth upper bound* [11], which stipulates that length of the chain cannot grow too fast (so that the signed blockchain will not be prevented from appearing on the judge's blockchain within  $T'$  blocks by being "crowded out" by other transactions), then the same argument also applies to such situations. (It is straightforward to also characterize the chain growth upper bound property in a logic with appropriate primitive propositions.)

An appealing feature of the final model is that whether the contract is deemed "successfully signed" is now itself a property of the (judge's) blockchain, and thus, by our result, whenever the successful signing happens, it becomes  $\Delta$ -common knowledge, independent of the signing strategy; in particular, there is no longer a need for the judge! One other point worth making: although we have considered a system with only two agents, we may further want to require that if other (honest) agents enter the system, they will also agree that the contract has been signed (and the original two agents get  $-\infty$  if this is not the case). In that case, we need  $\Delta$ -□ common knowledge, not just  $\Delta$ -common knowledge.

As this discussion shows, consistency and growth are themselves not sufficient for applications of the blockchain to contracts. Once we add appropriate additional properties (such as liveness and a chain growth upperbound), we can use our characterization for non-trivial applications within contract signing. We leave open the question of better understanding the properties needed for different types of contracts being executed on the blockchain.

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