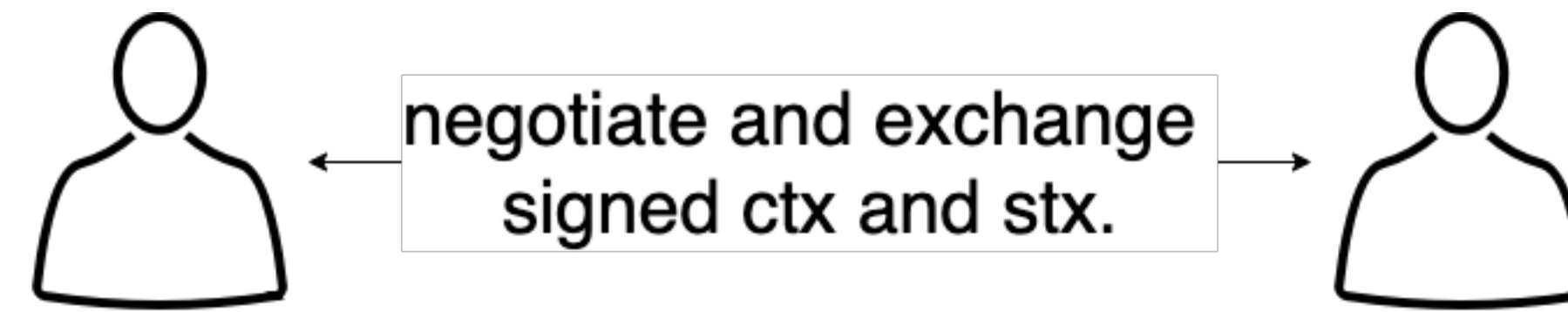
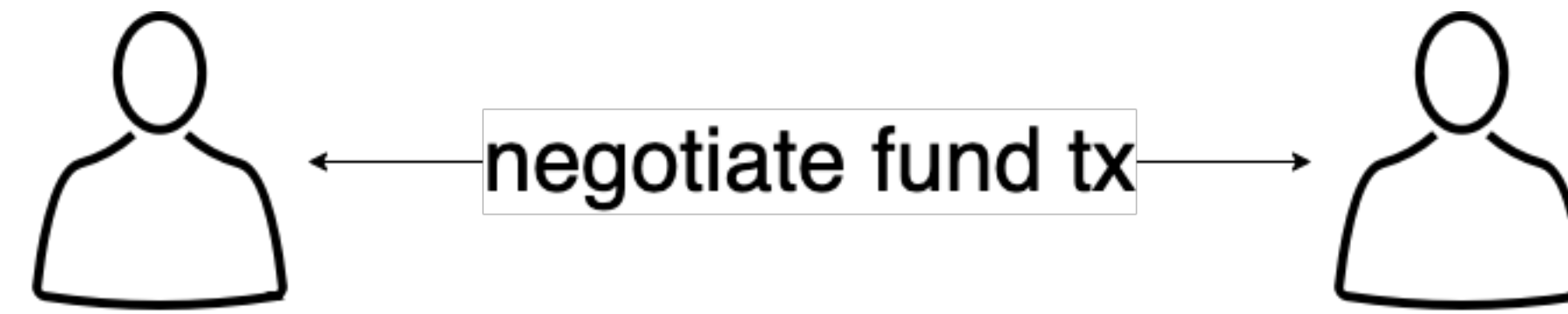


# The update of GPC

Zhichun Lu

# Channel establishment



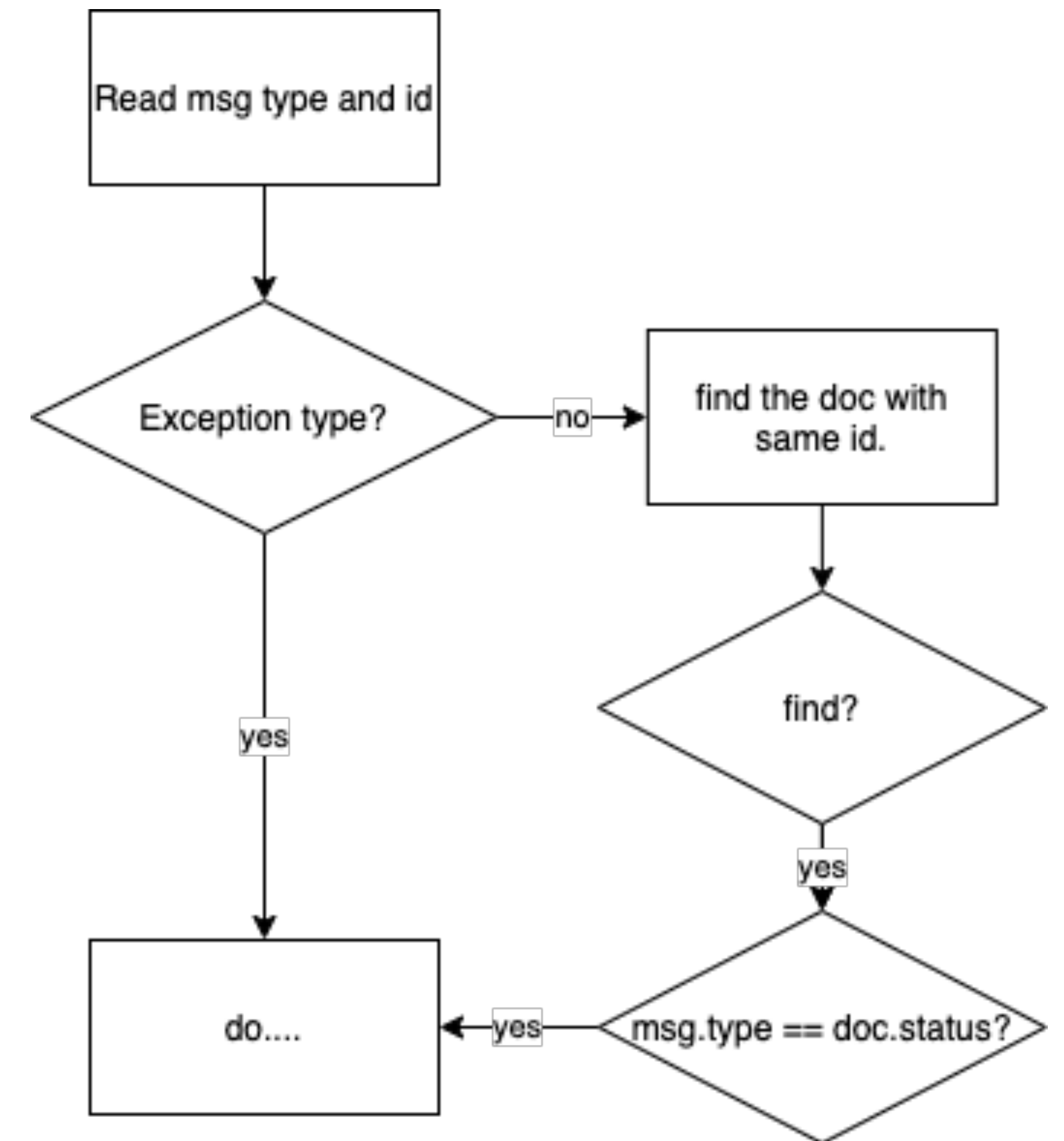
# Communication model

Let us begin with the document structure in database and the msg composition.

Msg: {id, type}, Doc: {id, status, **msg\_cache**}

- **-2**: If the msg type is -2, it means the msg is the “reset” msg. More specifically, let us assume there is an interaction with five steps, and we have researched the 4th. However, we just want to change some args negotiated in previous steps. In this case, we just adopt the “reset” msg. Note: It can only reset the status to the latest steady state. I.e., if we have reached the stage of making payments, resetting the local status to stage of establishing channel is forbidden.
- **-1**: It is the “re-request” msg. If A misses the msg sent by B, he can send the “re-request” msg. Then B will response with the msg in msg\_cache.
- **0**: It is the plain text, user will parse the msg to get the “text” and print it.
- **1**: It is the first step, so we do not require the type is consistent with the local status, but it demands there is no doc with same id in local database.

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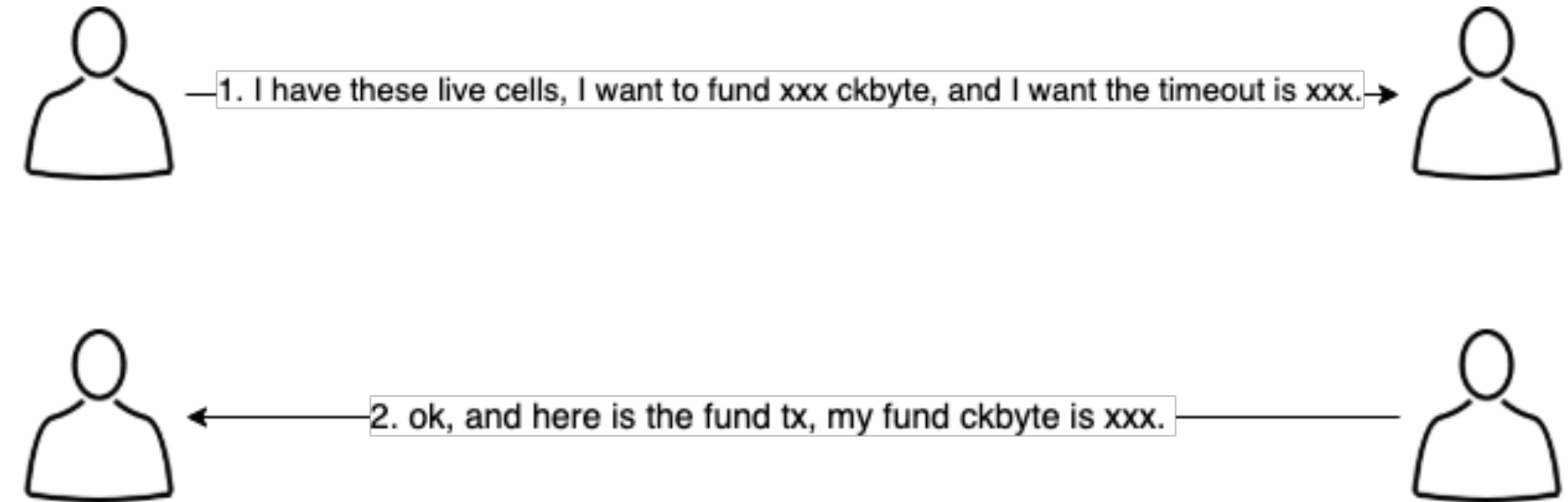
# Msg detail

Msg\_send: 1

Require: remote\_ip, remote\_port, local\_capacity, local\_fee, timeout.

do:

- local\_fund\_inputs = Gather\_input ( local\_capacity, local\_fee)
- Id = hash (local\_fund\_inputs)
- Pubkey = blake160(key.pubkey)



Ensure:

- msg = { id, 1 || local\_fund\_input, local\_capacity, local\_fee, timeout }
- doc = { id, key, pubkey, status:2, nonce: 0, ctx: 0, stx: 0, gpc\_script\_hash: 0, local\_fund\_cells: local\_fund\_input, }

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# Msg detail

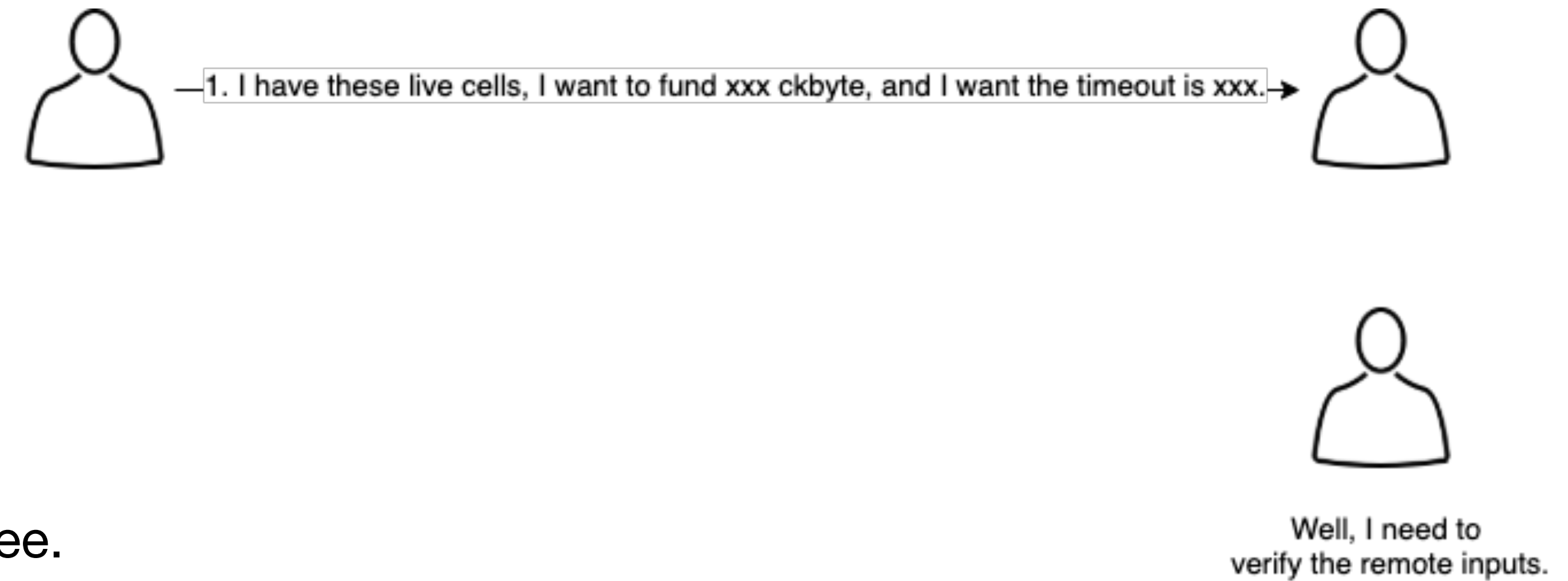
Msg\_rcv: 1

Require: remote\_inputs

do:

- The cells are alive.
- The cell's capacity is enough for remote\_capacity and remote\_fee.
- The capacity is satisfactory.

Ensure: Whether the inputs are valid (live and rich enough). If not, just report errors (using msg type 0).



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# Msg detail



Well, now, I need to construct the fund tx,  
1. input, 2. output, 3. output\_data,  
4. witness, 5. version, 6. cell\_deps

Inputs: Just gather inputs as A did.

outputs: 1. GPC, 2. remote\_change (just calculate it !), 3.local\_change. More specifically. 1.capacity 2.lock 3.type

Do I have enough information to generate the GPC lock?

( lock\_status:0, nounce: 0, timelock: timelock, remote\_pubkey: remote\_pubkey, local\_pubkey: lcoal key in database). Yes!

ouput\_data: just set it to “”. **Future for UDT or other assets, the user should calculate it by himself.**

**Zhichun Lu**

# Msg detail

Msg\_send: 2

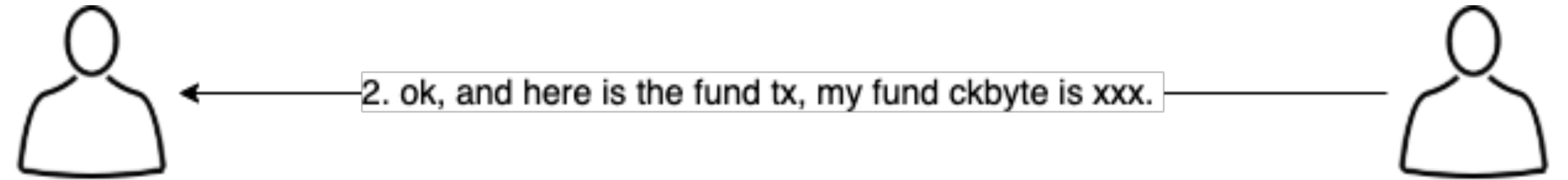
Require: local\_capacity, local\_fee.

do:

- local\_fund\_inputs = Gather\_input ( local\_capacity, local\_fee)
- GPC\_lock = assemble\_gpc\_lock ( 0, 0, timeout, remote\_pubkey, local\_pubkey )
- fund\_tx = ( local\_fund\_inputs, remote\_capa, local\_capa, GPC\_lock)
- gpc\_script\_hash = GPC\_lock\_script

Ensure:

- msg = { id, 2 || fund\_tx, local\_capacity, local\_fee, timeout }
- doc = { id, key, pubkey, status:3, nounce: 0, ctx: 0, stx: 0, gpc\_script\_hash, fund\_tx, }



**Zhichun Lu**

# Msg detail

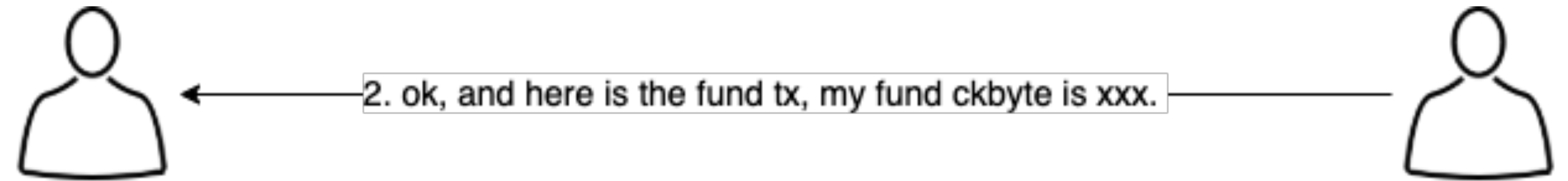
Msg\_rcv: 2

Require: remote\_fund\_tx

do:

- The cells are alive, the capacity is enough and the fund capacity is satisfactory.
- The GPC lock is right. (just construct and compute the hash by myself, and compare).
- My inputs is not modified. (there is a duplicate in my database).
- All the condition that the tx can be accepted by blockchain. (except the witness)

Ensure: Whether the fund tx is valid. If not, just report errors (using msg type 0).

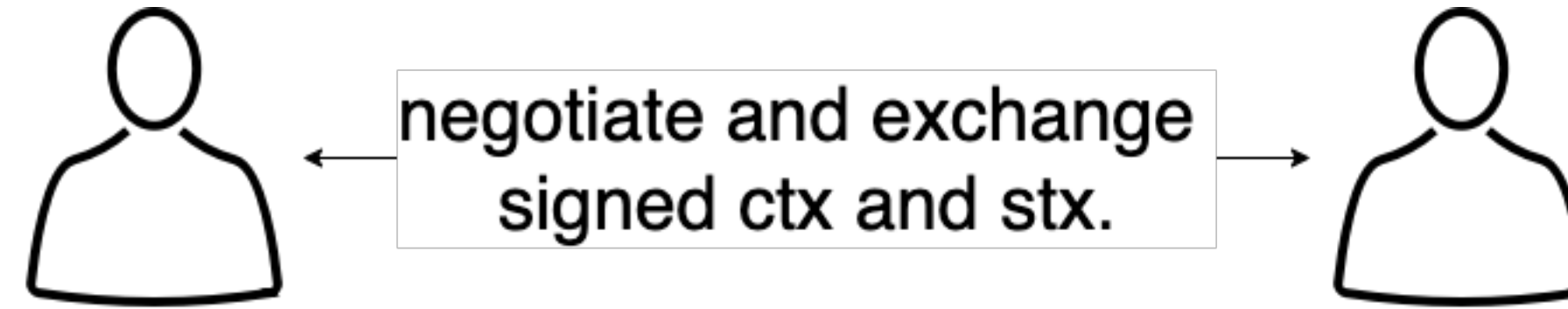


Will he modify my input? Does the capacity  
he fund is satisfactory? I need to verify it!

**Zhichun Lu**



# Msg detail



Firstly, let's discuss the no-input design applied in ctx and stx. In fact, the two users exchange the ctx\_info but not ctx, since the inputs of ctx are still pending. So we need to specify the information for users to generate the ctx, i.e., ctx\_info.

Tx: version, cell\_dep, inputs, outputs, outputs\_data, witnesses.

It is obvious that inputs should not be included in ctx\_info. Version (?) and cell\_dep also, since if users change these two fields, the tx will not be accepted by the blockchain or by the pointed smart contract. So we can conclude that ( outputs, outputs\_data, witness ) is the ctx\_info tuple.

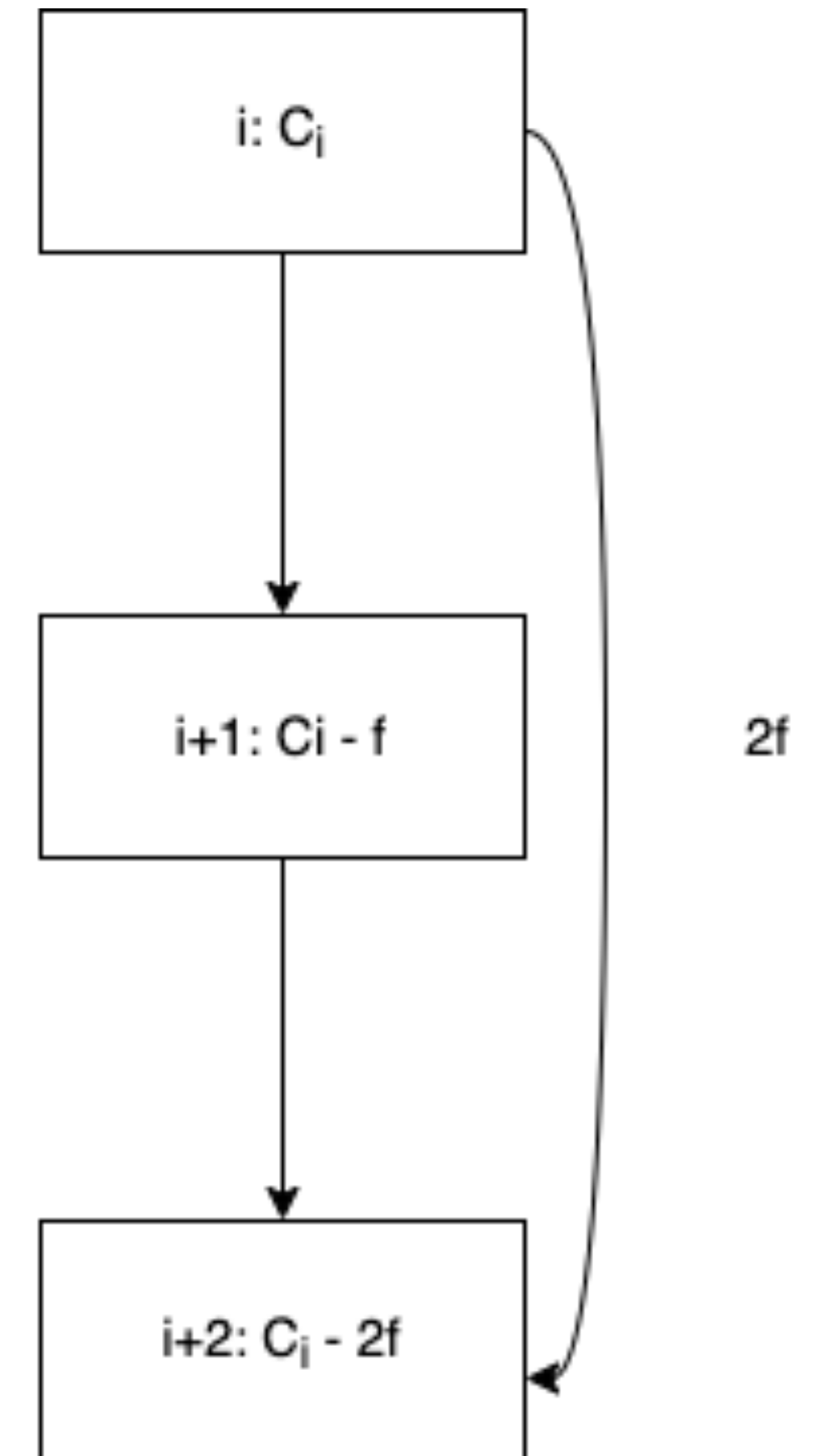
# Msg detail

Q: what should we sign? A: The ctx\_info.

Q: what should ctx\_info.outputs have?

Lets begin with just one output, I.e., the output with GPC lock. Obviously, it is necessary to determine the capacity of it. Lets say the capacity of output of nounce i is  $C_i$ .

Design 1: Fee is f.  $C_i - f = C_{i+1}$ ;  $C_{i+1} - f = C_{i+2}$ ;

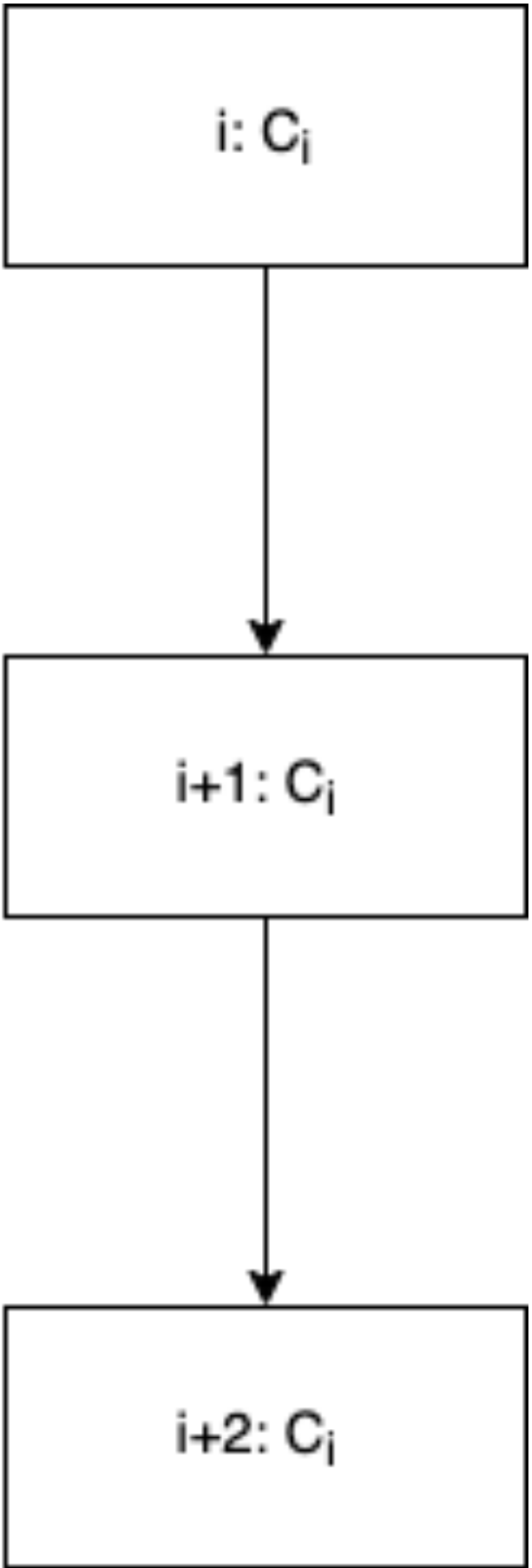


# Msg detail

Design 1: Fee is f.  $C_{i+1} = C_i$ ;  $C_{i+2} = C_i$ ;



There is no fee to earn...



# Msg detail

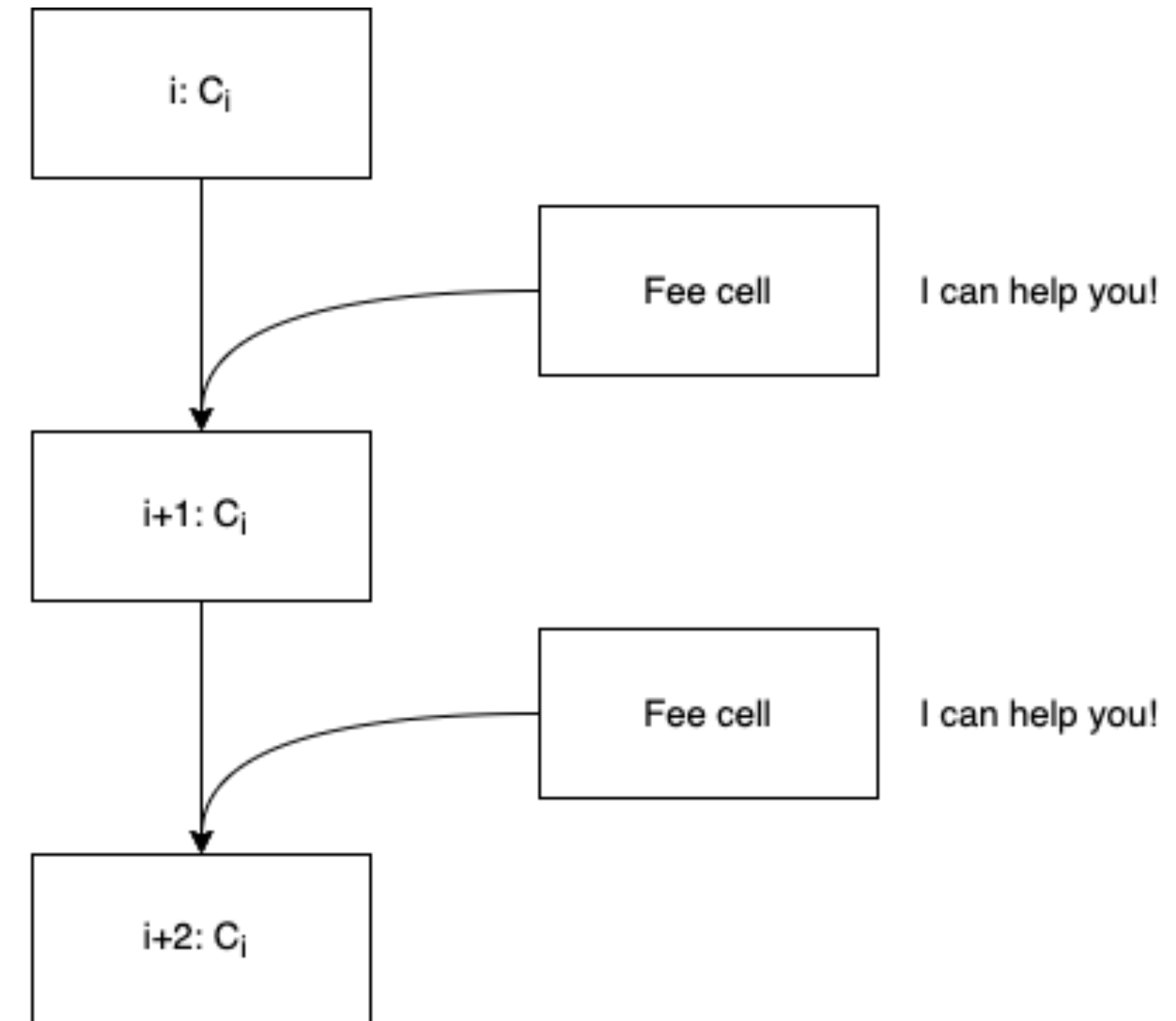
Design 2: Fee is  $f$ .  $C_{i+1} = C_i$ ;  $C_{i+2} = C_i$ ;

So, we can know that the inputs must include the fee cell, as a result, there are a change output, which is unpredictable. So, the no-input signature and verification only check the first output in ctx and first two outputs in stx. Output\_data and witness are the same.



ctx\_info: The first output, **outputs\_data** and witness.

stx\_info: The first two outputs, **outputs\_data** and witnesses.



# Msg detail

Msg\_send: 3

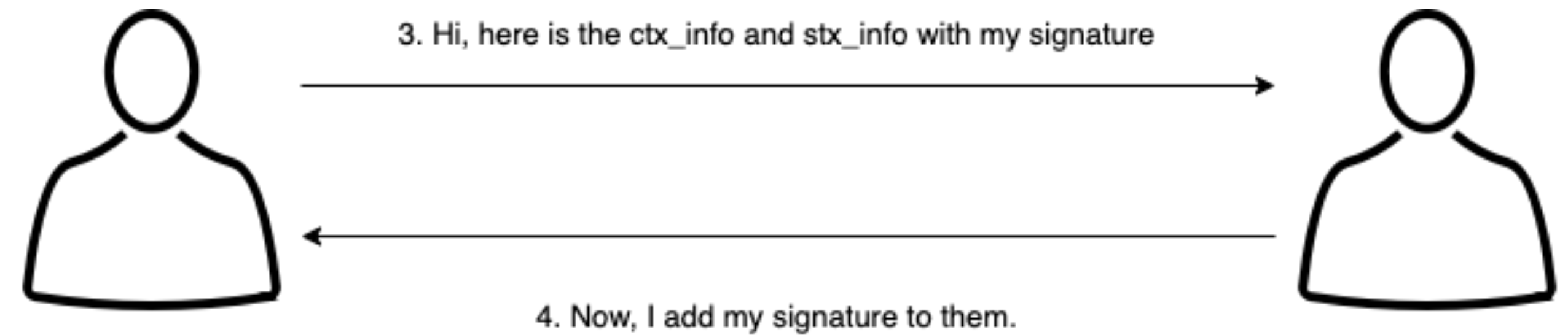
Require: fee

do:

- `Closing_GPC_lock = assemble_gpc_lock ( 1, 1, timeout, remote_pubkey, local_pubkey )`
- `Closing capacity = fund_tx[0].capacity - fee. Closing_witnesses = generate_empty_witness (flag: 1, nounce: 1, sig_index).`
- `ctx_info = (Closing_GPC_lock, closing capacity, closing_output_data, closing_witness (unsign), sig_index: 0)`
- `stx_info` is almost the same as `ctx...`

Ensure:

- `msg = { id, 3 || ctx, stx, fee }`
- `doc = { id, key, fund_tx, status:4, nounce: 1 (it maybe confusing, since I just merge fund_closing and closing-closing.), ctx, stx. }`



**Zhichun Lu**

# Msg detail

Msg\_rcv: 3

Require: ctx\_info, stx\_info and the remote\_pubkey.

do:

- The signature is valid.
- The information are right. (just create the info by myself and check).

Ensure:

- Whether the stx and ctx are valid. If not, just report errors (using msg type 0).

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# Msg detail

Msg\_send: 4

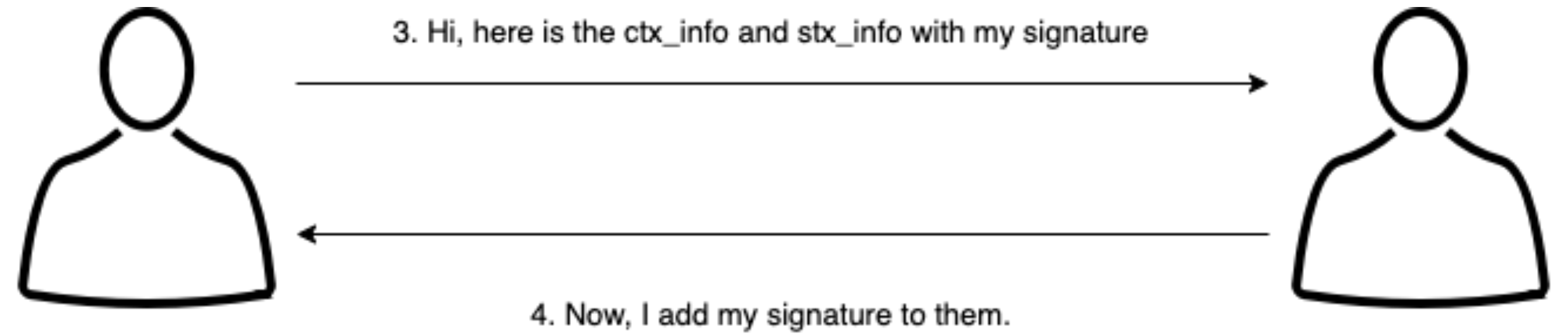
Require:

do:

- Just like the msg 3, but the sig\_index set to 1. (0 in msg 3).

Ensure:

- `msg = { id, 3 || ctx, stx, fee }`
- `doc = { id, key, fund_tx, status:5, nounce: 1, ctx, stx. }`



# Msg detail

Msg\_rcv: 4

Require: ctx\_info, stx\_info, remote\_pubkey and local signature.

do:

- The remote signature is valid.
- The info is not modified, just using the local signature to verify msg.

Ensure:

- Whether the stx and ctx are valid. If not, just report errors (using msg type 0).

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# Msg detail

Msg\_send: 5

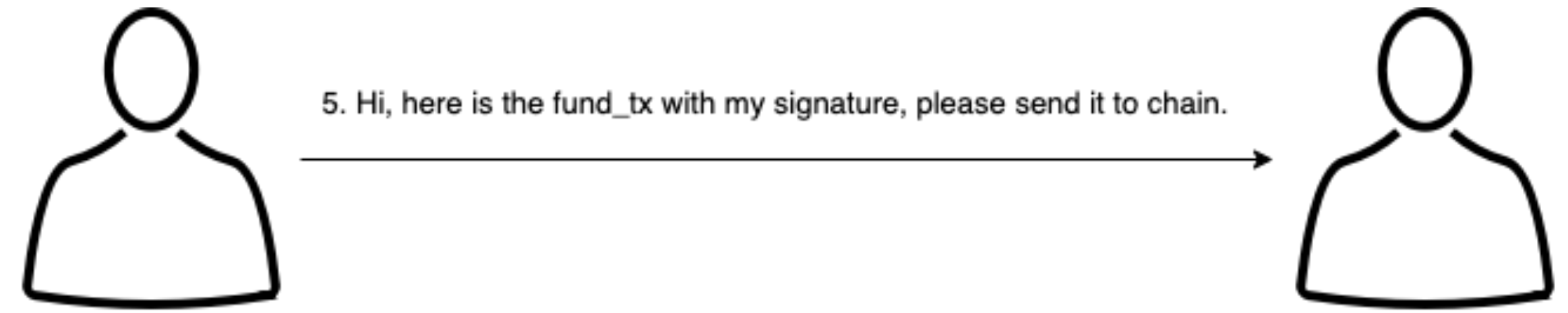
Require: fund\_tx

do:

- fund\_tx = Sign\_tx (fund\_tx)

Ensure:

- msg = { id, 5 || fund\_tx }
- doc = { id, key, fund\_tx, status:6. (steady status) }



# Msg detail

Msg\_recv: 5

Require: fund\_tx, local\_fund\_tx.

do:

- The fund\_tx are same.
- Sign the fund\_tx.

Ensure:

- Whether the stx and ctx are valid. If not, just report errors (using msg type 0).
- doc = { id, key, fund\_tx, status:6. (steady status)}

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## Msg detail

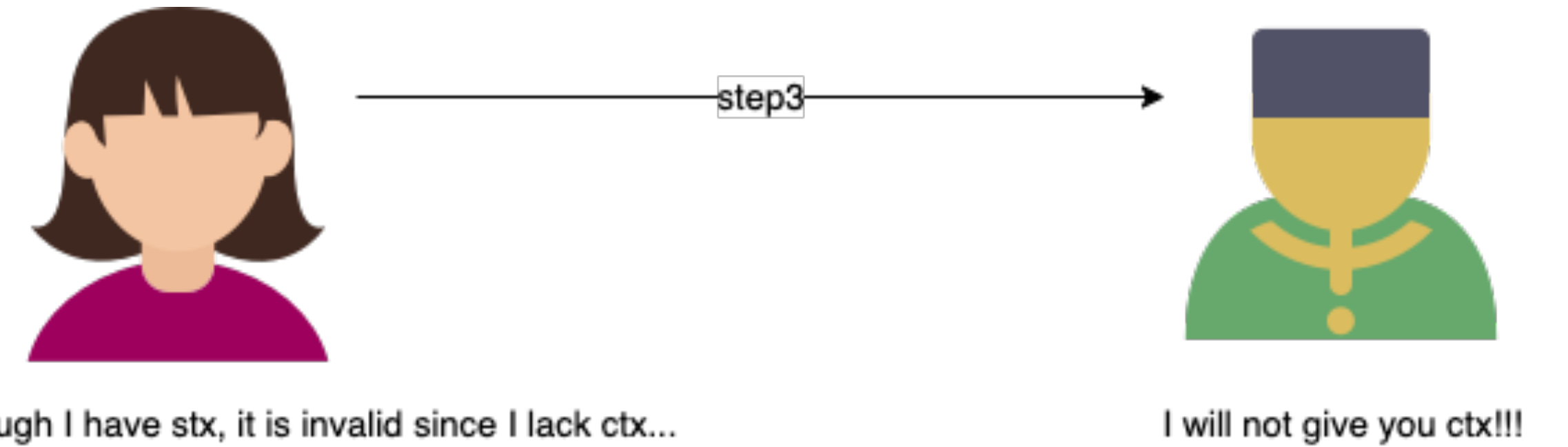
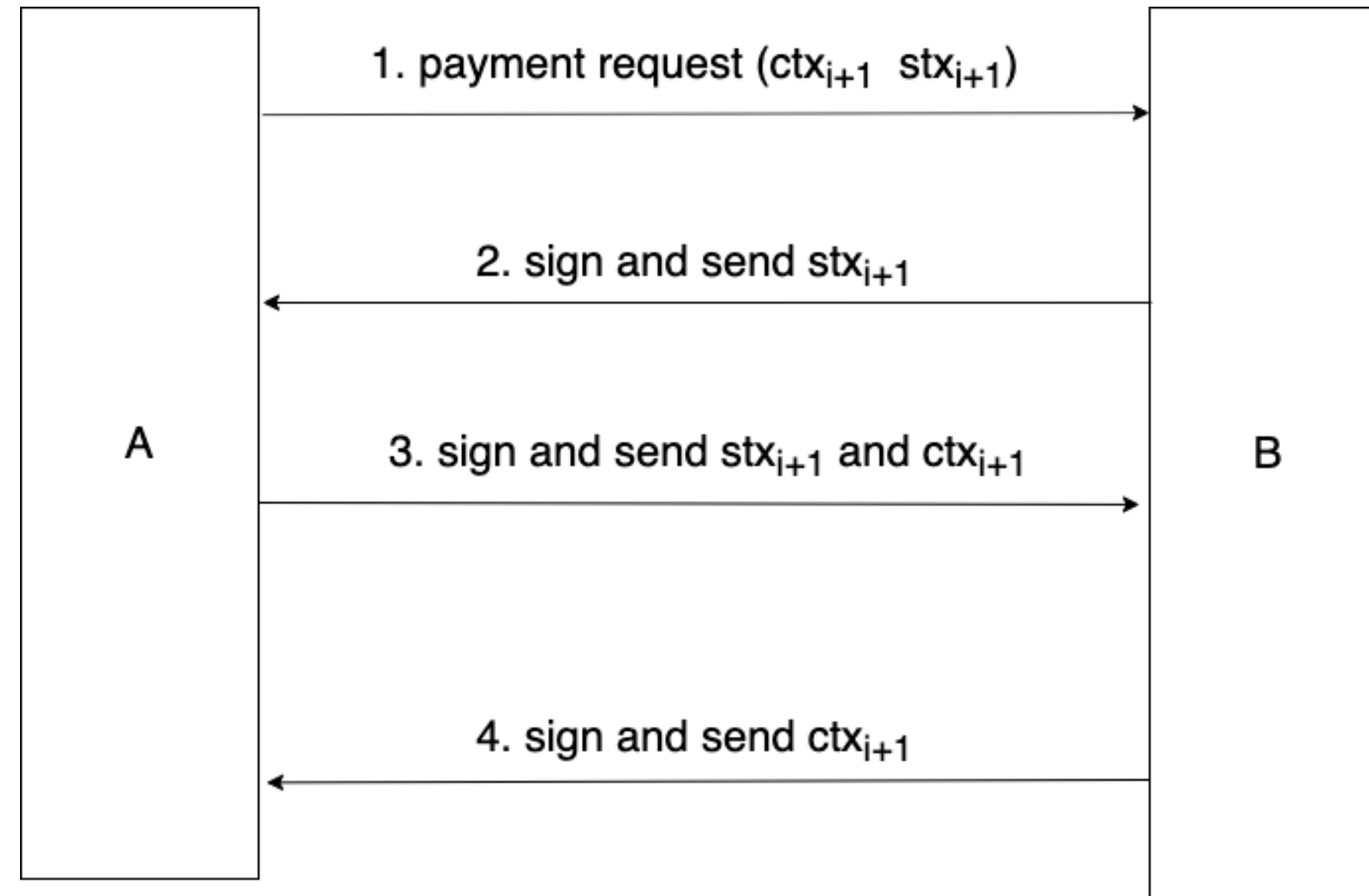


Well, I will spend the fund input.



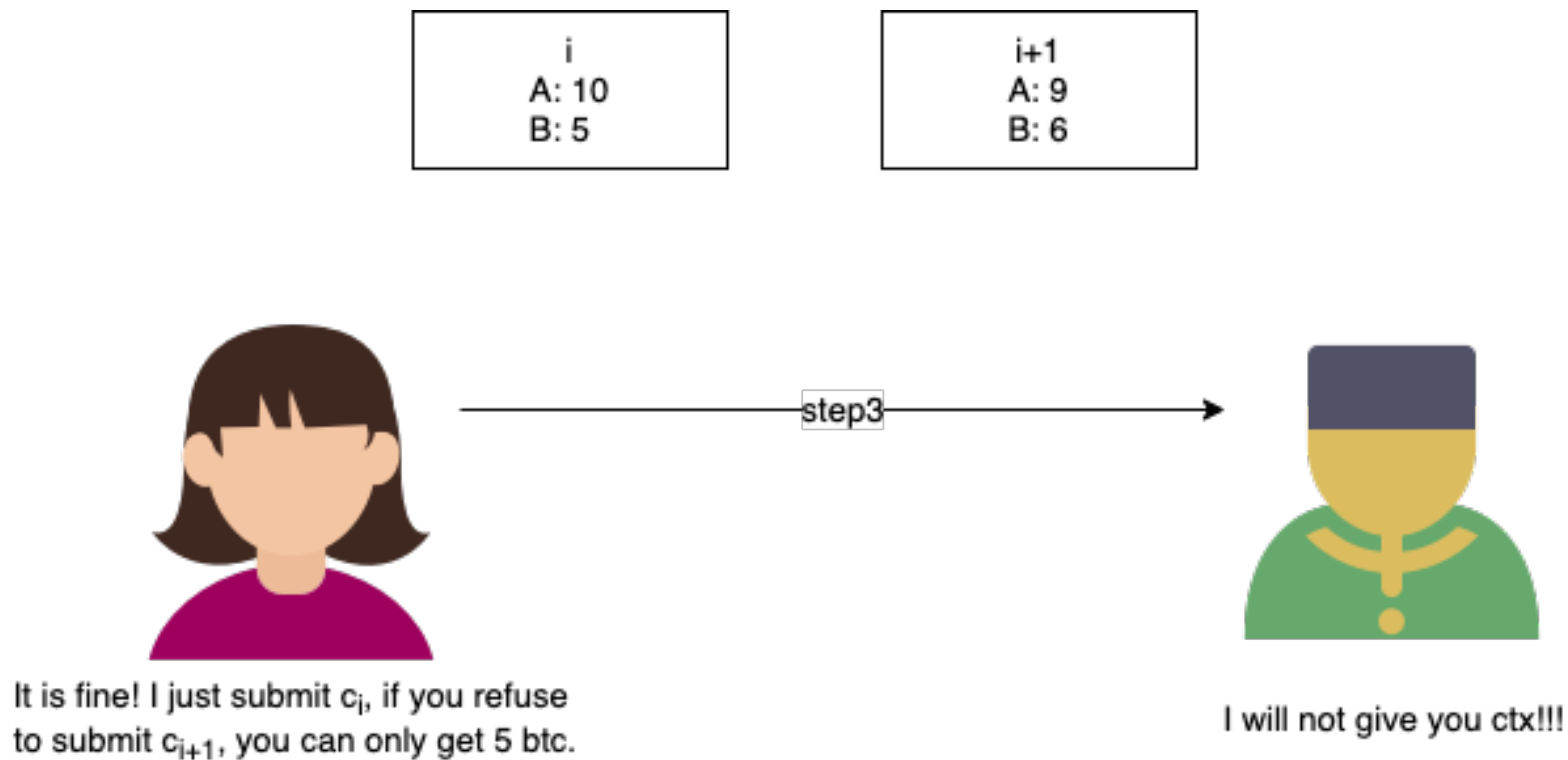
I will not upload the fund\_tx!!!!

# Make payment

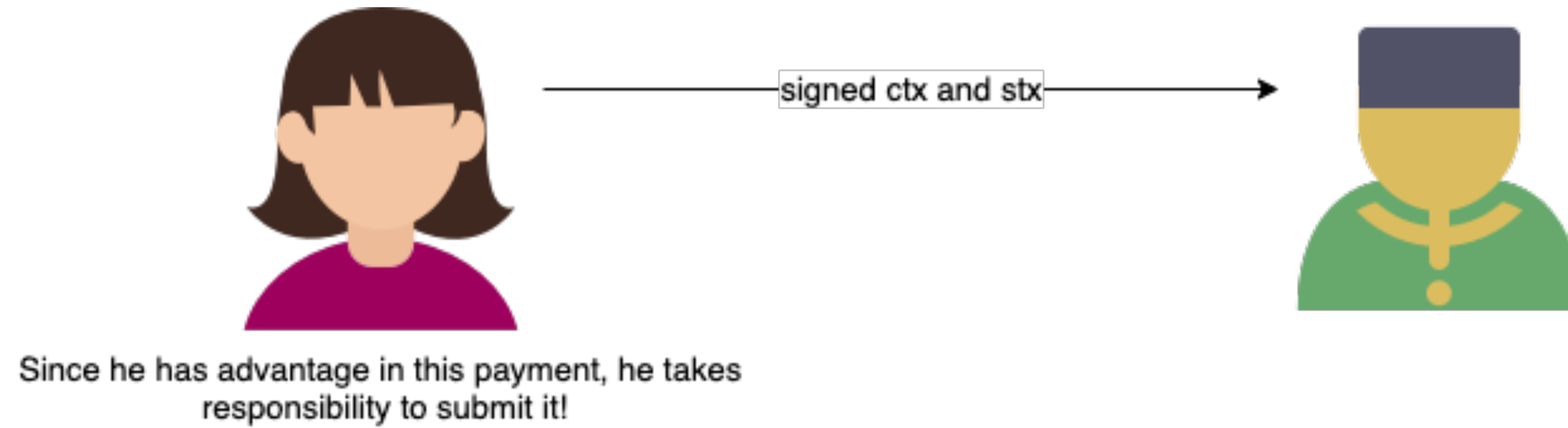


- If Alice is the payee in the payment, she loses the money. Of course, they can regard the payment is invalid until the step 4 is done.

# Make payment



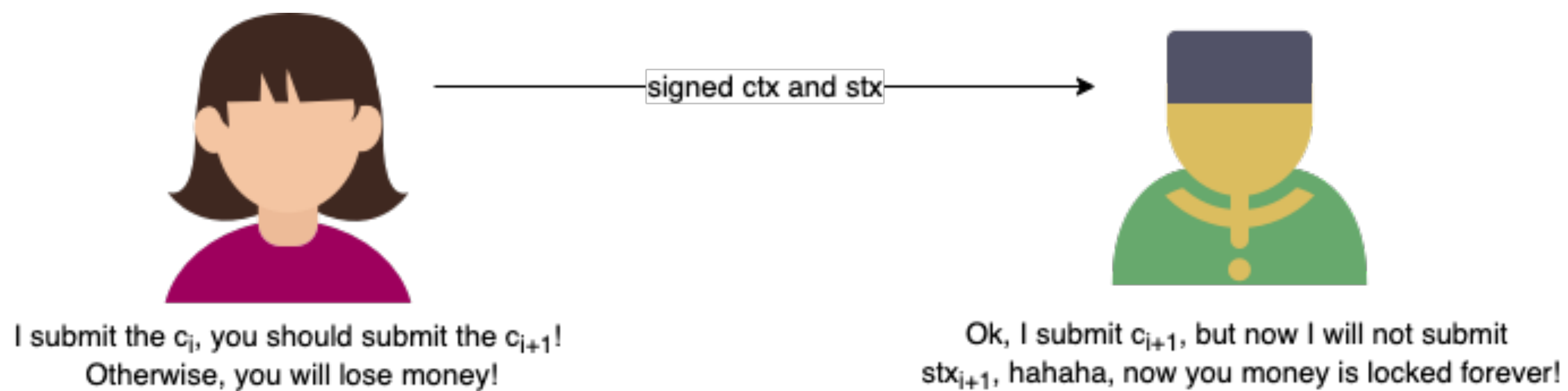
# Make payment



Who is the payer of the payment, who give the signature of ctx and stx. It only needs one step to make the payments!

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# Make payment



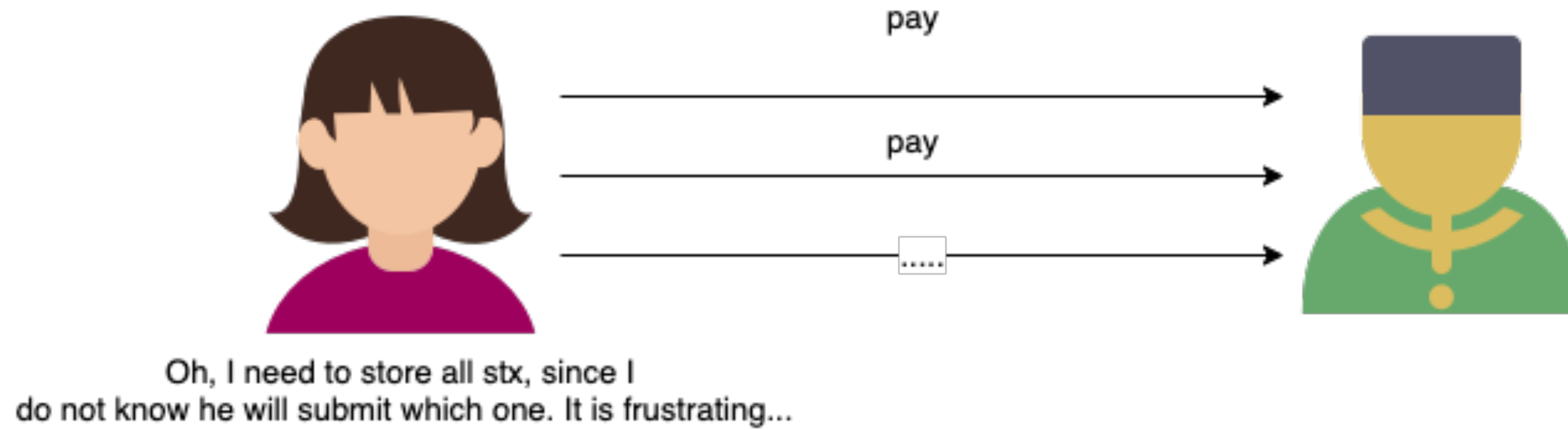
# Make payment

## Solution 1



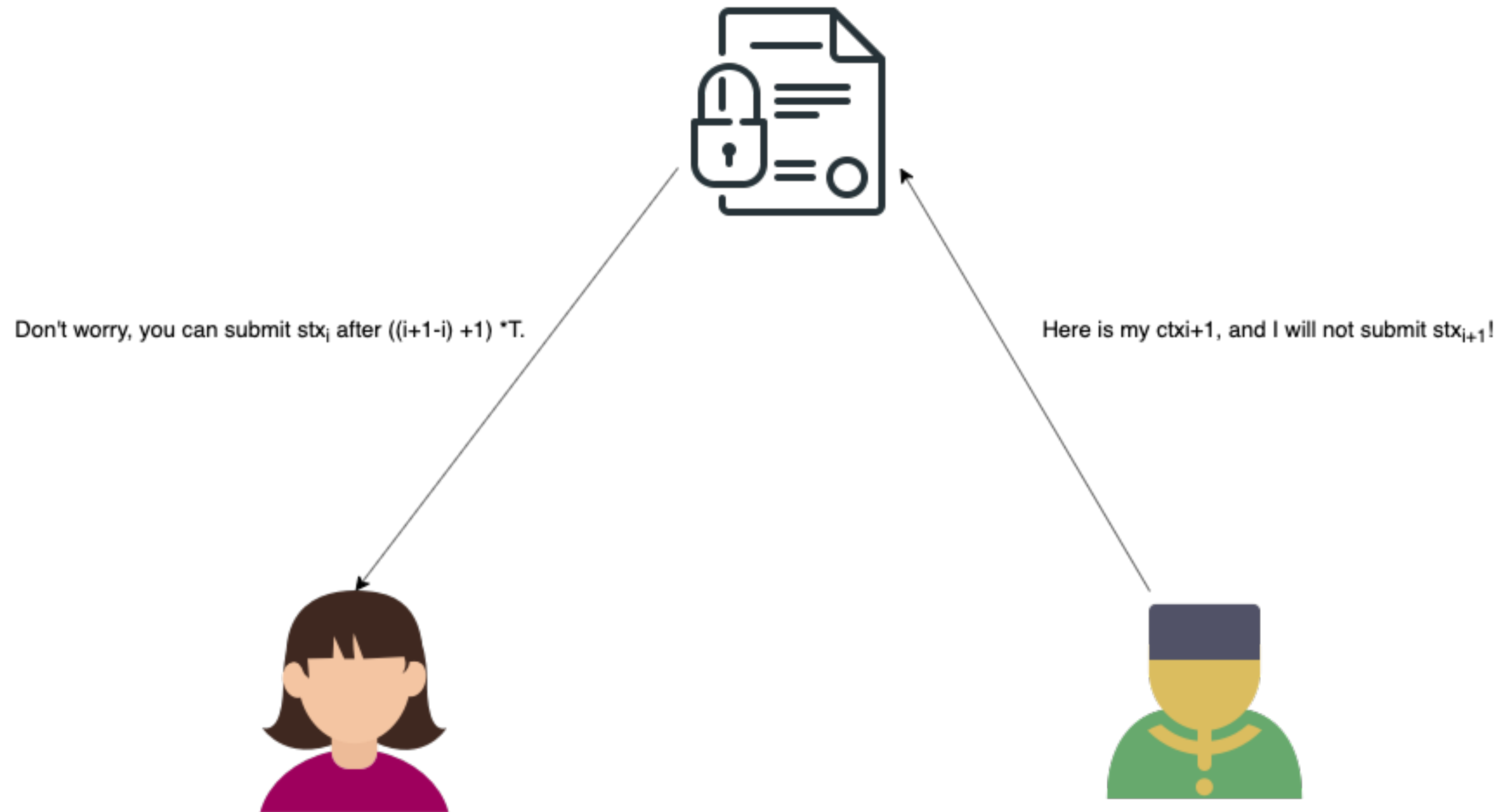


# Make payment



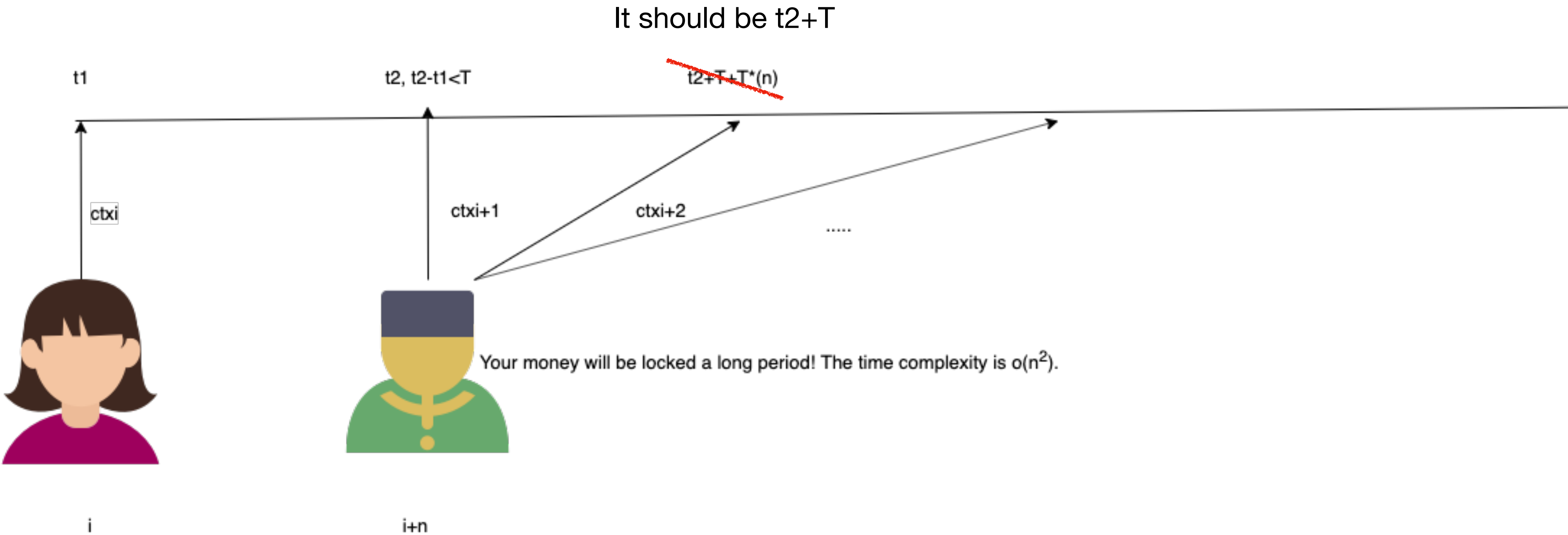
# Make payment

## Solution 2



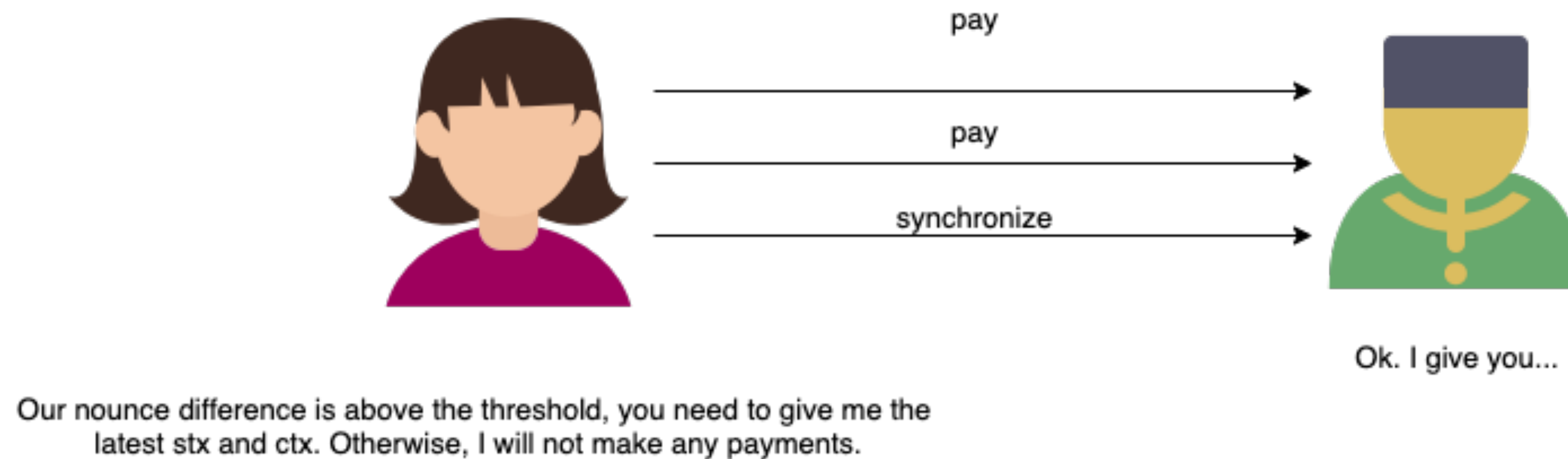
Zhichun Lu

# Make payment



# Make payment

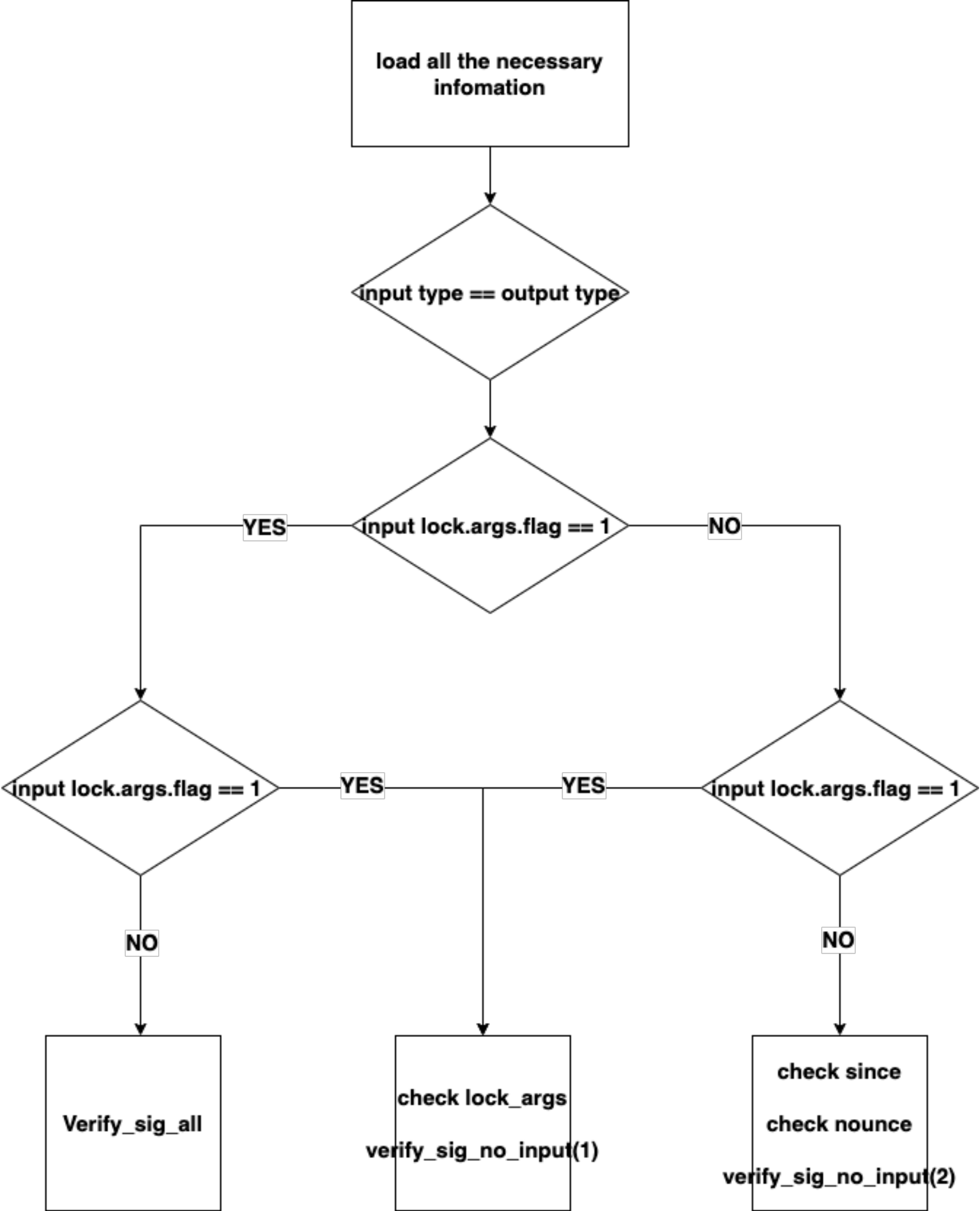
A simple but ugly solution.



Note: The time complexity is still  $o(n^2)$ , but  $n$  is limited below threshold, if you want to let the complexity to  $o(n)$ , you need to come up with a design that after time  $T$ , the contract will not accept any closing tx.

**Zhichun Lu**

# The contract



# Discussion

- The lock args and witness need channel id. If there are more than one channel between two users. One can use closing tx in channel 1 to closing channel 2. (state, timeout, pubkey\_A, pubkey\_B, nonce) (flag, nonce, sig\_A, sig\_B).
- CKByte has natural advantage being the asset in layer 2. As long as you have ckbyte, you can create channel with anyone with any assets.
- Concurrency: Just using the binary exponential back off alg in tcp.
- About the contract, it will not check the output lock script in bilateral closing and settlement.
- About the testing example....

**Zhichun Lu**

# TODO

- Finish all the red content in the slides.
- The monitor module, and the process of making payments.
- multi\_thread.
- UDT version.
- GUI.
- Payment channel network.

**Zhichun Lu**