

a privacy-preserving program could be expressed in a high level language and compiled to executables that could be run by the data-owning participants as a multi-party protocol. However, its scalability and performance limited its use to toy programs — the largest application reported in the Fairplay paper was computing the median two sorted arrays where each party’s input is ten 16-bit numbers in sorted order, involving execution of 4383 gates and taking over 7 seconds to execute (with both parties connected over a LAN). Since then, the speed of MPC protocols has improved by more than five orders of magnitude due to a combination of cryptographic, protocol, network and hardware improvements. This enabled MPC applications to scale to a wide range of interesting and important applications.

Generic and specialized MPC. Yao’s garbled circuits protocol is a *generic* protocol—it can be used to compute any discrete function that can be represented as a fixed-size circuit. One important sub-area of MPC focuses on specific functionalities, such as private set intersection (PSI). For specific functionalities, there may be custom protocols that are much more efficient than the best generic protocols. Specific functionalities can be interesting in their own right, but also can be natural building blocks for use in other applications. We focus mostly on generic MPC protocols, but include discussion of private set intersection (Section 3.8.1) as a particularly useful functionality.

1.3 MPC Applications

MPC enables privacy-preserving applications where multiple mutually distrusting data owners cooperate to compute a function. Here, we highlight a few illustrative examples of privacy-preserving applications that can be built using MPC. This list is far from exhaustive, and is meant merely to give an idea of the range and scale of MPC applications.

Yao’s Millionaires Problem. The toy problem that was used to introduce secure computation is not meant as a useful application. Yao (1982) introduces it simply: “Two millionaires wish to know who is richer; however, they do not want to find out inadvertently any additional information about each other’s wealth.” That is, the goal is to compute the Boolean result of $x_1 \leq x_2$ where x_1 is the first party’s private input and x_2 is the second party’s private input.

Although it is a toy problem, Yao's Millionaires Problem can still be useful for illustrating issues in MPC applications.

Secure auctions. The need for privacy in auctions is well understood. Indeed, it is crucial for all participants, both bidders and sellers, to be able to rely on the privacy and non-malleability of bids. *Bid privacy* requires that no player may learn any other player's bid (other than perhaps revealing the winning bid upon the completion of the auction). *Bid non-malleability* means that a player's bid may not be manipulated to generate a related bid. For example, if a party generates a bid of $\$n$, then another party should not be able to use this bid to produce a bid of $\$n + 1$. Note that bid privacy does not necessarily imply bid non-malleability — indeed it is possible to design auction protocols that would hide a bid of $\$n$ while still allowing others to generate a related bid $\$n + 1$.

These properties are crucial in many standard bidding processes. For example, a sealed bid auction is an auction where bidders submit private (sealed) bids in attempts to purchase property, selling to the highest bidder. Clearly, the first bidder's bid value must be kept secret from other potential bidders to prevent those bidders from having an unfair advantage. Similarly, bid malleability may allow a dishonest bidder Bob to present a bid just slightly over Alice's bid, again, gaining an unfair advantage. Finally, the auction itself must be conducted correctly, awarding the item to the highest bidder for the amount of their bid.

A Vickrey auction is a type of sealed-bid auction where instead paying the value of their own bid, the highest bidder wins but the price paid is the value of the second-highest bid. This type of auction gives bidders an incentive to bid their true value, but requires privacy and non-malleability of each bid, and correctness in determining the winner and price.

MPC can be used to easily achieve all these features since it is only necessary to embed the desired properties into the function used to jointly execute the auction. All the participants can verify the function and then rely on the MPC protocol to provide high confidence that the auction will be conducted confidentially and fairly.