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# Motivation: Napster System (May 1999 – July 2001)

- Dominant strategy for non-altruistic agents to share nothing and download as much as possible
  - free-rider problem
  - study of Gnutella: 70% of users shared nothing
- Why does anyone share?
  - client requires users to opt out of sharing
  - service free, fosters sense of community
- Why isn't this enough?
  - advent of for-profit systems
  - service with more shared files is more competitive



- Unlike talk on Monday, no discussion of fair exchange, escrow, watermarking issues
- Model:
  - a very simple game-theoretic model of a P2P file sharing system, free-rider problem
- Theory:
  - pros and cons of three payment schemes that give rise to strict equilibria in which free-riding does not occur
- Experiments:
  - robust convergence to the same equilibria in an enriched model; also some interesting behaviors



- Single-shot game in which agents choose a level of sharing, level of downloading
- Utility depends on:
  - amount downloaded
  - variety of the network
  - disk space used
  - bandwidth used
  - altruism
  - financial transfer



- Scheme:
  - charge users for downloads, reward them for uploads
  - overall, the system breaks even
- Advantage:
  - unique, strict equilibrium for all agents to both share and download maximally
- Disadvantages:
  - equilibrium doesn't hold for risk-averse agents: they don't directly control their number of uploads
  - users can make a profit
  - users dislike micro-payments

### Quantized Micro-Payments

- Scheme:
  - charge a fixed price for each block of *b* files
  - reward uploads as before
- Advantages:
  - may be preferable to users
  - unique, strict equilibrium as before
- Disadvantage:
  - collusion: agents can direct their zero-marginalcost downloads to others

## Points, Rewarding Sharing

- Scheme:
  - "points" currency: points can be bought but not sold
  - pay agents for size of material shared
- Advantage:
  - no agent makes a profit
  - maximal sharing, downloading is a strict equilibrium
- Disadvantages:
  - no sharing, maximal downloading is also strict equilibrium
  - agents don't want their shared files to be downloaded
    - share at off-peak times, share unpopular files
  - agent could stop sharing as soon as a file is requested

# Experimental Results

- Experiments using TD Q-learning
- Validate and enrich our theoretical model:
  - levels of risk-aversion
  - utility functions
  - different types of files and agents
- Experiments:
  - strategy convergence in this richer setting
  - interesting effects







October 17, 2001

EC'01





**Proportion of altruistic agents** 

EC'01



- Model:
  - a very simple game-theoretic model of a P2P file sharing system, free-rider problem
- Theory:
  - discussed three payment schemes that give rise to equilibria in which free-riding does not occur, pros & cons
- Experiments:
  - showed convergence to the same equilibria in an enriched model; also some non-trivial behaviors
- Full version at WELCOM'01, online at <u>http://robotics.stanford.edu/~kevinlb</u>