Blockchain time and Heisenberg Uncertainty Principle

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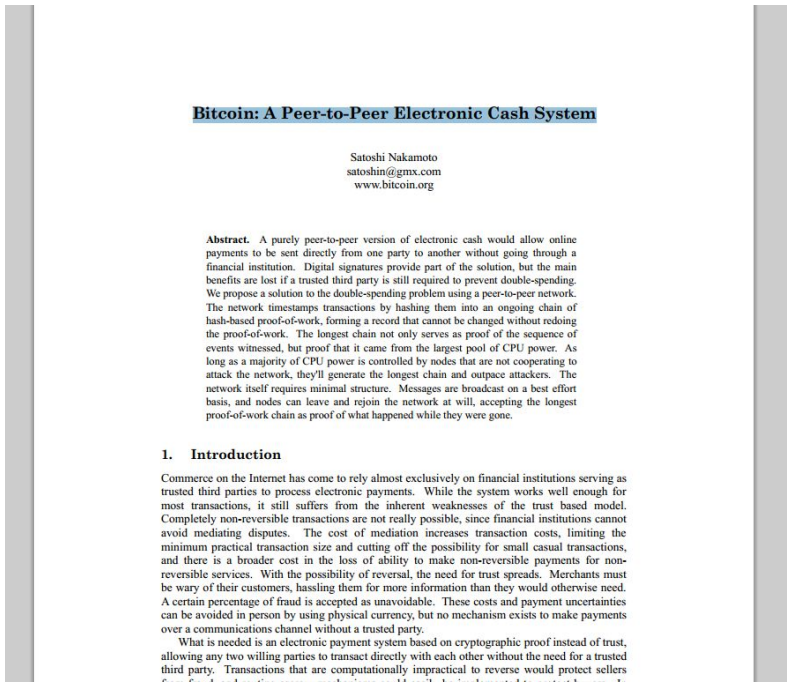

Bitcoin: A Peer-to-Peer Electronic Cash System

Satoshi Nakamoto
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Abstract. A purely peer-to-peer version of electronic cash would allow online payments to be sent directly from one party to another without going through a financial institution. Digital signatures provide part of the solution, but the main benefits are lost if a trusted third party is still required to prevent double-spending. We propose a solution to the double-spending problem using a peer-to-peer network. The network timestamps transactions by hashing them into an ongoing chain of hash-based proof-of-work, forming a record that cannot be changed without redoing the proof-of-work. The longest chain not only serves as proof of the sequence of events witnessed, but proof that it came from the largest pool of CPU power. As long as a majority of CPU power is controlled by nodes that are not cooperating to attack the network, they'll generate the longest chain and outpace attackers. The network itself requires minimal structure. Messages are broadcast on a best effort basis, and nodes can leave and rejoin the network at will, accepting the longest proof-of-work chain as proof of what happened while they were gone.

1. Introduction

Commerce on the Internet has come to rely almost exclusively on financial institutions serving as trusted third parties to process electronic payments. While the system works well enough for most transactions, it still suffers from the inherent weaknesses of the trust based model. Completely non-reversible transactions are not really possible, since financial institutions cannot avoid mediating disputes. The cost of mediation increases transaction costs, limiting the minimum practical transaction size and cutting off the possibility for small casual transactions, and there is a broader cost in the loss of ability to make non-reversible payments for non-reversible services. With the possibility of reversal, the need for trust spreads. Merchants must be wary of their customers, hassling them for more information than they would otherwise need. A certain percentage of fraud is accepted as unavoidable. These costs and payment uncertainties can be avoided in person by using physical currency, but no mechanism exists to make payments over a communications channel without a trusted party.

What is needed is an electronic payment system based on cryptographic proof instead of trust, allowing any two willing parties to transact directly with each other without the need for a trusted third party. Transactions that are computationally impractical to reverse would protect sellers

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Theorem (Transparency Theorem)

A decentralized e-currency must rely on a public ledger.

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- The blocks are generated by “miners” that validate current transactions by iterating hashes (Proof-of-Work).

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- Each validated blocks is the “tick” of the clock.

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- The mechanism of consensus: “The trust machine”.

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The situation can be described as the siege of a city by a group of generals of the Byzantine army. Communicating only by messenger, the generals must agree upon a common battle plan. However, one or more of them may be traitors who will try to confuse the others. The problem is to find an algorithm to ensure that the loyal generals will reach an agreement.

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Definition (Decentralized Consensus Protocol)

A **Decentralized Consensus Protocol (DCP)** is a solution to NBGP.

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Thermodynamic proof: We cannot have an isolated system with decreasing entropy by the 2nd Law of Thermodynamics.

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Strong Thermodynamical Conjecture: There is no protocol establishing an internal chronology of a system without external input of energy.

Uncertainty principles formulations

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If we want to measure the position x and the momentum p of a particle with precisions Δx and Δp, then we have

$$\Delta x \cdot \Delta p \geq \hbar \, .$$

$\hbar = h/2\pi \approx 1.0545718 \cdot 10^{-34}$ $J.s$ reduced Planck constant.

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- *The constant k depends on the hardware used.*

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Theorem (Blockchain Heisenberg Uncertainty Principle)

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Observation: Heisenberg Uncertainty Principle indicates that a theoretical upper bound on k exists

$$1/k \geq \hbar.$$

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Physical complexity principle: The amount of energy E necessary for the construction of information with a Bennett logical depth τ_0 is universally bounded from below

$$E \geq \kappa \tau_0$$

where κ is a universal physical constant.

Thank you for your attention!!