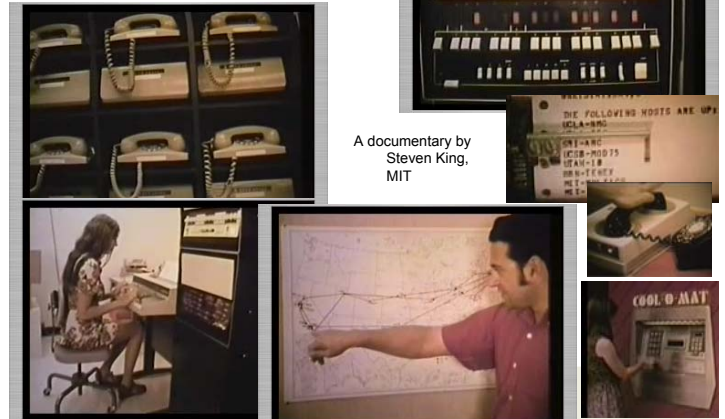


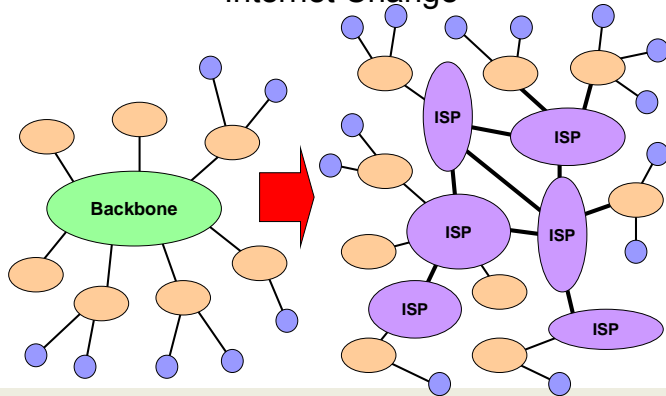
## Beyond Technology: The Financial and Political Layer

Protocol Design – S-38.3157

## The Internet in 1972



## Internet Change



## How is the Internet paid for?

- ▶ Generally: cost is distance insensitive
  - Strong promoter of globalization
  - There are some incentives to keep traffic local, though (Throughput ~ 1/RTT)
- ▶ Dial-up
  - per minute (peak hours, off-peak)
  - monthly flat rate
- ▶ Direct connection
  - volume bands or per "k bytes"
  - more likely: flat rate
  - typically independent of time and destination
- ▶ Attempt to change:
  - pay for reserved bandwidth?
  - pay for enhanced service profiles (market differentiation)
- ▶ Trend: pay for additional services
  - Within the provider's network only

## Who runs the Internet?

- ▶ "Nobody"
- ▶ Network: site network providers, ISPs (Internet Service Providers), NAPs (Network Access Providers), ...
  - Trend towards "value-added services" beyond simple packet carrier
- ▶ Lines/Fibers: telephone companies, railroads, utilities, ...
- ▶ Names and Numbers:
  - ICANN (Internet Corporation for Assigned Names and Numbers)
  - Numbers: IANA (Internet Assigned Numbers Authority)
  - Names: RIPE (Europe), Internic (USA), APNIC (Pacific)
- ▶ Standards: IETF
- ▶ Technology: vendors (standards-based + proprietary)
- ▶ Content: "everybody"

## The Internet Landscape Today

- ▶ Users
- ▶ Commercial ISPs
  - Working for profit
- ▶ Private sector network providers
- ▶ Governments
  - Want to care, need to care
- ▶ Intellectual Property Right (IPR) holders
- ▶ Providers of content and higher level services
  - Streaming, telephony, media, ...
- ▶ Tensions between interests of the various parties
- ▶ "Support" for applications, users, etc.

## Changes over time...

- ▶ From closed academic environment to global society
  - Trusted users → non-trusted users
  - Users who know what they do → users who don't want to (need to) know
- ▶ From research to commercial
- ▶ New stakeholders in the Internet
  - Internet Service Providers (ISPs)
  - Application Service Providers (ASPs)
  - Governments
- ▶ Third parties (to facilitate interactions)
  - Trusted entities, caches, proxies, ...
- ▶ ...

## Protocol design does not happen in a vacuum

- ▶ With exceptions:
  - Some protocols never leave the □closed environment they were designed for
  - but many surprisingly do!
  - It makes sense to think bigger
    - It also makes sense not to burden a design with issues it need not be burdened with
  - Use judgement.
- ▶ Even so:
  - staying in the mainstream will make life easier for those poor people that will have to maintain your protocol in the future.
  - you have to "sell" your protocol within your own organization
    - which may have a slightly different, but still quite difficult, "political" situation.

## How to get your protocol deployed?

Why would **anyone** want to invest money in

- ▶ implementing
- ▶ deploying
- ▶ operating
- ▶ using
- ▶ learning your protocol?

Can you get **everyone** on board who needs to cooperate to make your protocol a success?

Is there a way from here to there?

## Deployment Economy

What is the motivation for deployment:

- ▶ Incremental improvements in bottom line?
  - You have to make a pretty good case
    - But you can stay on the technical/economical side
  - Don't forget the cost of change, though
- ▶ Fear of losing all to the competition?
  - Marketing is more important
    - Create the impression of a groundswell
    - You'll need the pundits, Gartners etc.
- ▶ The final decision is unlikely to be made by technical people!

## Getting a protocol deployed

- ▶ The decision will be made:
  - not necessarily on technical grounds (alone)
  - you still have to (appear to) solve the problem (of course, or maybe not)
- ▶ The actual deciders are usually not the technologists
  - Perceived reality (a.k.a. magazine articles) may be more important than real reality
- ▶ Much of this is actually self-fulfilling prophecy
  - If predictions that a technology will win cause an increase in investments...
  - Pundits are quite often completely off the mark, though!
- ▶ If you have competition, FUD may be the most powerful force
  - Is there something that can be said about the other protocol that will **stick**?

## Gaining visibility and credibility

- ▶ You need marketing
  - "Henry": A large potential customer speaks out repeatedly
  - A technical leadership figure with marketing skills can also help
- ▶ It helps to be perceived as "the answer"
- ▶ So you need to align well-regarded organizations behind the protocol
  - e.g., the IETF
- ◊ it helps to align with big trends
  - Examples from a distant past: ATM, QoS; Lightweight protocols; ALF, soft state, ...
- ◊ it hurts to align with big trends
  - you are one fish of a big school
  - you may cause a "wait and see" attitude
- ▶ appeal to taste
  - do things the customary (modern?) way
  - but not too avantgardistic or weird

Many who were ahead of their time had to wait for it to arrive while staying in uncomfortable places

## Don't put in showstoppers

- ▶ Make sure deployment does not depend on factors you cannot control
  - don't commit error 33
- ▶ Make sure you don't turn up on the losing side of a market fight
  - hard to predict!
  - make sure your protocol is not perceived as aiding that side
- ▶ Patents (see later)

## Be timely

- ▶ Moore's law is going to negate any performance benefit if its complexity causes delaying productization
- ▶ **release early, release often**
  - but then, make sure you don't get known for a losing release
  - creating one big splash may also be important for marketing (if it comes in time)
- ▶ an open-source **implementation** will help tremendously
  - helps the technologists understand the issues
  - demonstrates concept (to technologists and deciders)
  - eases entry (as a reference or as the actual implementation going live)
    - builds out your coalition
  - can be used for interop testing
  - allays fears of a "cabal protocol" that can only be implemented by an in-group of expensive consultants
  - (and helps debug your protocol as well)



## Is your protocol "just technology"?

Will your protocol be **used** for

- ▶ improving efficiency in an existing market
  - ▶ creating a market
  - ▶ impeding creation of a market
  - ▶ furthering political change
  - ▶ impeding political change
- or all of the above?

To be successful, protocols need to interact properly with the financial and political space.

## The decision makers are fighting a different fight

- ▶ Position their company in a changing market
  - E.g., attempt to lock in customers: Customers might fiercely fight back
  - Find ways to offer differential pricing ("value pricing")
- ▶ Position themselves in a changing company
  - Most managers are risk-averse for good reasons
- ▶ Support one side in a tension between competing interests
  - Music sharing vs. IPR protection
  - Privacy vs. wiretapping
  - User freedom vs. ISP's desire for control (and accounting)
- ▶ "Tussle" [Clark/Sollins/Wroclawski/Braden 2002]

## Guidelines for keeping protocols out of trouble (1)

- ▶ Design to win regardless of outcome
  - The tussle should take place within your design, not distort it
- ▶ Do not design to dictate the outcome
  - You may have a preference, but the opponents will fight you and your protocol
- ▶ "Provide Mechanism, not Policy"
  - The right policy may not even have been invented at deployment time
  - (But then, it is hard to design mechanism that can support **any** policy)
- ▶ Isolation of conflicts of interest: If there are tussles, separate functions in the tussle from those outside the tussle
  - Even if there is no technical reason

## Guidelines for keeping protocols out of trouble (2)

- ▶ Design for choice
  - E.g., decentralize, allow for parameters selecting entities, etc.
  - May require its own set of protocols: e.g., number portability
- ▶ Design for change
  - Assumptions may not hold forever — don't wire them into the protocol
  - May need to take explicit action to maintain changeability during protocol evolution
  - Resist short term optimizations for specific uses or operation points
    - But then: may have to compromise to encourage deployment

## Limitations of Protocol Design

- ▶ Remember:  
Don't try to provide technical solutions for every social problem; some problems need to be solved in a non-technical fashion!
- E.g.:
  - ▶ Floor control in small conferences is best done socially
  - ▶ Hardening security may cause people to route around it
    - E.g., password expiry schemes lead users to choose guessable passwords
    - People may entirely avoid a protocol if its security is too cumbersome
  - ▶ Providing a little technical help for social processes is OK, though
    - Cf. Slashdot moderation points

## Further Tussle: Regulation

- ▶ The market is often not left alone to decide
- ▶ Governments (have to) pursue various interests
  - To protect their citizens
  - To protect the economy
  - To protect themselves
- ▶ May take the shape of regulations and policy enforcement
- ▶ May follow national or international (e.g., EU) rules
- ▶ Regulation sets the stage for technology deployment
  - Pre-scribes non-functional requirements
  - Adds functional requirements
- ▶ Uses technology to achieve its goals

## Regulation Example: (IP) Telephony (1)

- ▶ Many countries guarantee privacy rights to their inhabitants
  - Example: Privacy of telephony and (postal) mail
  - Protocol world: perform (strong) encryption
- ▶ but at the same time reserve the right for making exceptions
  - Example: Eavesdropping, collecting call history of users
  - System world: counter encryption, demand eavesdropping systems, keys, ...
    - Demands and requirements are not always clear about practical implication
- ▶ Another example: anonymous calling
  - Allow hiding the caller's identity
- ▶ Exception: perform malicious call tracing and accountability
  - Ensure that the caller's identity can be determined by the authorities later on
- ▶ Applicable beyond telephony
  - Tracking actions of Internet users: for web access, peer-to-peer usage, etc.

## Regulation Example: (IP) Telephony (2)

- ▶ Adding functional requirements to a protocol or system
  - Which may lead to "more expensive" protocol design and operation
- ▶ Example: Emergency calling
- ▶ Comprehensive requirements from traditional landline service
  - Locating the emergency caller
    - Has been somehow easy when using fixed landlines
  - Routing the call to the closest "Public Safety Answering Point" (PSAP)
- ▶ Implications for IP-based technologies
  - Need to provide location information about IP phones
    - Despite the ability of the user to move
  - Need to identify a call as an emergency call
    - Regardless where the user is
  - Obey privacy rules for highly sensitive location information

## The Grey and Dark Sides: Blocking Access

- ▶ Basically legitimate goals
  - Parental control of Internet usage
  - ISP control of users
    - Block spammers
    - Sources of DoS attacks, viruses
  - Governmental control
    - Restrict access to legally prohibited contents (e.g., anti-constitutional, subversive)
    - But also: limit freedom of information
- ▶ May succeed somehow easily with the masses
  - But may also have quite a few "false positives" beyond intentions
- ▶ But: potential for yet another technology race for the bad guys
  - There are usually technical ways around

## The Spam Tussle (1)

- ▶ Problem: Internet lowers transaction cost considerably
  - Anyone can send messages to many at near zero cost
  - There **is** a (human) cost for consuming a message, though
- ▶ Conflict: How to stay open?
  - Do I want to accept messages from unknown sources?
  - "Known-sources only" becomes limiting quickly
- ▶ Technological response:
  - Spam filters try to detect "unsolicited bulk" messages
  - Arms race, limited success (spammers are hard to trace, use botnets)
- ▶ Economical response:
  - Re-introduce "cost" for a message
  - Might be waived for messages that actually were "wanted"
  - Issue: How to design for choice?

## The Spam Tussle (2)

- ▶ Nominally, everyone is "against spam"
  - This is not about protocol features shot down because they "would hurt spam"
  - (But you don't want to have protocol features that actually would help spam)
- ▶ The part of the tussle relevant to protocol design: Business opportunities from spam
  - More precisely: from the extreme pain point spam now causes in business
- ▶ Use Spam to reign in control lost 10 years ago
  - Use market power to establish patented system as de-facto spam reduction standard
- ▶ Establish a service for centralized spam checking
  - Compete by protocol support in dominant implementations
- ▶ Provide a Mail service with better spam control than others
  - Real competition!

## Controlled Transparency

- ▶ Originally: what goes in, comes out.
- ▶ But there may be reason to have something in the way
  - Likely trust-regulated
- ▶ Consumer protection: users want to be kept out of trouble
  - 1972 won't come back; firewalls are here to stay
  - Complete transparency may make it too easy for the bad guy
  - Efficient markets may need regulation
    - Otherwise transaction cost soars
- ▶ "Peeking is irresistible"
  - Transparent features will be used for differential pricing
    - And to improve service to the user — at a cost?

**Net Neutrality?!**

## Case study: TCP/IP vs. OSI

- ▶ Tussle: Who was going to control the future of open systems?
  - Running code vs. great ambition
- ▶ Helped tremendously by BSD 4.2
  - (which, at its time, was as close as you could get to open source)
  - All universities were using it → multipliers
- ▶ ping (diagnosability)
  - Operations people loved it (and networks actually worked!)
- ▶ Running code for File transfer, Mail, X11 and other killer apps
  - Users loved it (and got actual work done)
- ▶ Finally decided by Web (another killer app)

## Case study: PostScript

- ▶ Low barrier to use (text based)
  - easy to "write code" to create beautiful type
  - offloading processing to printer allowed upgrade in functionality
- ▶ Extensibility over performance
  - widened applicability and allowed growing with the problem set
- ▶ Device independence, scalability
  - Black/white first, later extended to color and other new devices
- ▶ Active maintenance, reasonable licensing by Adobe
  - (but still limited pick-up in the low-cost market)
  - good enough to spawn emulation market
- ▶ → Became suitable interchange format, too
- ▶ but: violates "use the simplest language you can use"

## Case study: PDF

- ▶ Used PostScript as a lever
- ▶ Using market asymmetry (cheap reader/low cost writer)
- ▶ Natural replacement for PostScript as an interchange format...
  - remove programmability
    - By then, problem set had become much more well understood
  - add "modern" formats (images, color spaces, compression, etc.)
  - continued evolution
- ▶ Microsoft is trying to replace PDF with Metro

## Case study: SIP



- ▶ Incessant marketing by “Godfather of SIP”
- ▶ Helped by easy “first mile” of text-based, HTTP-like protocol
  - in particular after the H.323 portrayed complexity and PER disaster
  - plus H.323’s “closed group + expensive consultants” image, late open source
- ▶ However, damaged in mass market by
  - NAT problems
  - moving target syndrome
  - Configuration complexity (odyssey of a simple client configuration format)
  - dearth of good soft clients
- ▶ Does not have a good answer to the “federation problem”
  - May be eclipsed by Jabber/Jingle in certain applications

## Case study: Skype

- ▶ Tussle: get new application **VoIP** going despite restrictive firewalls
  - Phone calls at zero incremental cost (beyond broadband already available)
- ▶ Usable, polished client (including IM and Video)
  - solves NAT problem
- ▶ Low barrier to entry for new users
  - Early adopters: download, try, works — recommend!
  - Metcalfe’s law kicked in soon
- ▶ High end user benefit
  - including high connection quality (wideband)
- ▶ (Unfortunately, Skype is fundamentally flawed — and not open in the first place)

## Case study: Jabber

- ▶ Tussle: whose IM systems will dominate? (AIM, MSN, ...)
  - libgaim
- ▶ Jabber (XMPP): the standardized protocol in the IM space
  - Well, there are IRC, SIMPLE, ...
  - Low-barrier design
- ▶ Has a successful federation policy
  - Design for choice
  - (and the other guy is unlikely to be a spammer)
- ▶ Once that works, why not use it in place of SIP?
  - google talk, Jingle
- ▶ ...we are in the middle of the telephony tussle...

## Case study: RSS

- ▶ “Push” did not quite work because of the firewall/NAT problem
- ▶ Idea: Provide “push” by repeated “pull”
  - Browser needs to find out if information is “new”
- ▶ RSS: Rich site summary/Really simple syndication
  - “Feed” metadata: Title + Link + Updated + Author
  - Array of “Entry” metadata: Title + Link + Id + Updated + Summary [+ Content]
- ▶ Use XML format
- ▶ Problem: Tag Soup effect; multiple RSS versions
- ▶ Solution: IETF process → Atom (RFC 4287)
  - Atom is quickly becoming the “Enterprise Message Bus” of the Internet

## Case study: DVD-successor

- ▶ Tussle 1: Copyright holders against the rest of the world
  - Threaten not to provide pre-recorded HD content unless DRM is draconian
  - Need to control entire **system**
- ▶ Tussle 2: Two patent pools fighting each other
  - Indecision between HD-DVD and Blu-Ray
  - Microsoft changing sides every week
- ▶ Result:
  - Delayed market introduction (Tussle 1)
  - Immense market confusion (Tussle 2), “wait and see” attitude
- ▶ Tussle 1 also makes it less likely that consumers will actually want the “advances” of the DVD-successor
- ▶ Interesting development to follow

## Loose ends: Protection Rights (“IPR”)

- There are several kinds of “protection rights”
- ▶ Copyright: protects a work (book, program) against copying
    - Still the basis for the most important revenue models of the information economy
    - A reform is probably inevitable, but might take a couple more decades
  - ▶ Trademark: protects the branding of a product (“Coca-Cola”)
    - Essentially irreplaceable from a consumers’ rights point of view
    - Somewhat unfortunate side-effects on DNS name space
  - ▶ Patent: protects ideas, even if they are reinvented
    - Designed for 19th century industrial economy

## IPR issues for protocol designers

- ▶ Copyrights: issue mainly on specifications
  - Make sure the copyright on a specification does not become a showstopper
  - (Copyright enforcement may also be the objective of a protocol, of course)
- ▶ Trademarks: issue mainly in protocol marketing
  - Make sure the name under which a protocol is marketed is not the trademark of a competitor
  - (Also an issue if a protocol uses user-visible name spaces, like DNS)
- ▶ Patents (in Networking Technology) == technology destroyers
  - Or sometimes delays: e.g., RSA was essentially ignored until patent ran out
  - A reasonable standards body will always choose an unencumbered technology over an incrementally better patented one
    - E.g., Zero-knowledge proofs are pretty much dead because of unclear patent situation

## But patents work great!

- ▶ Patents encouraged much of the industrial innovation
  - Small entities — individual inventors and small companies — are a very important source of innovation
  - They have no other way to protect themselves from the big guys
- ▶ Polaroid, Xerox would not exist without patents
- ▶ Without patents, there would be no way to finance pharmacy research
- ▶ But then, how did software flourish before software patents were invented???



## So what's the problem with patents...

In Networking?

- ▶ Networking is about interoperability, which needs agreement
- ▶ It's hard for people to agree on something the adoption of which will generate lop-sided revenue to one party
  - That's why oligopolies like the GSM manufacturers are so much about patent pools
- ▶ Patent licensing tremendously increases the **transaction cost**
  - Pay the lawyers \$50'000+ for anything you do
  - Often, it is necessary to keep track of volumes etc.
    - You have to sell things you'd rather give away
- ▶ Interoperability of a feature imposes patent transaction cost on **peer system implementer**

## So what's the problem with patents...

In Software? Software ≠ Hardware!

- ▶ Hardware production requires higher investments and longer timelines
  - So doing the patent dance may be an OK part of the budget (monetary and time)
  - Hardware is often done by bigger companies that have cross-licensing agreements anyway
- ▶ Software can be (and will be!) implemented in a garage
  - Most innovations are from startups or people who haven't even started a company yet
  - Software can be given away ("free as in beer")
    - Can't do that with patented technology
    - Patents exclude open-source world
- ▶ Software is way more complex
  - Several hundred million lines of code are running on my laptop
  - Developing anything today requires making use of a dozen million lines of code
  - Patent minefield



One size never fits all.

## Defects in the patent system (1)

- ▶ It is relatively easy to obtain a patent (tens of thousand Euros)
  - Very limited expertise on the part of the patent examiners
  - Patents are essentially checked only against earlier patents
  - The "inventor" (applicant) has control over the process
  - Most patents are "trivial patents"
- ▶ Patent applications stay a secret for 18 months (or until granted)
  - Submarine patents
  - Even published patents become submarines by novel re-interpretation
- ▶ "Prior Art" arguments need to be fought in court
  - In theory, they can be fought in the objection phase after granting
  - But: This gives "inventor" too much control over the process
    - Documents "used up" here are hard to reuse in court

## Defects in the patent system (2)

- ▶ Court proceedings:
  - Are obscenely expensive
  - Take a long time
    - during which the technology and the companies using it are branded with a big question mark
  - Are completely unpredictable in their final outcome (≠ logic)
- ▶ Challenging a patent is a lopsided exercise
  - Patent holder has high stakes
  - Challenging patent user only has a partial stake in the other side
- ▶ Large incentive to "settle"
  - saves court costs
  - gives the "settler" an unfair advantage over its competitors that haven't settled yet
  - might be the more expensive route though, if the patent is finally thrown out
- ▶ In the US, patent holder can obtain injunction that essentially stops everything that is using the technology
  - extremely high damage to technology user and its customers
  - absolutely no call for proportionality

## Results of the patent system for networking

- ▶ It is always **unknown** whether a specification is unencumbered
  - in particular, it may be very expensive to say it is
- ▶ There is no way to ascertain patent-free status
  - Submarine patents
  - Patents are written in many languages
  - The language of patents is often unrelated to that of technology
    - Or that of humans ("a plurality of...")
- ▶ Civilization is about controlling risks
  - Software patents are the anathema of civilization
  - "Technology companies" == wayside robbers
  - Damage to economy (chilling effects) far outweighs proceeds to individuals

## So why are the big guys arguing for software patents?

Battle being fought in Europe right now

- ▶ US already have software patents
  - Big companies need to pay the cost there to stay in the game (protection from other patents)
- ▶ Big companies can benefit from their US investment
  - Can use patents to squash smaller European innovators
- ▶ Another reason: The corporate position on patents is usually defined by \_\_\_\_\_ the patent department!
  - What do you think would they say?



## What can a protocol designer do?

- ▶ Not much
  - There is no protection against submarines
  - Patent searches are an expensive and unreliable process
- ▶ Be open-eyed, though
  - That technology being pitched so heavily — what is the intention?
  - Has it been around for at least 18 months?
  - Some consortia set interesting patent objectives for their employees
- ▶ Standards setters can define disclosure policies
  - E.g., IETF: If the technology you talk about is encumbered, you have to tell
  - W3C has an RF (royalty-free) policy
  - Some consortia have patent pooling as a membership requirement