

# NFT TOKEN AND IoT



ethereum

# Introduction

Interconnected devices (the IoT) have become the new layer of our environment, almost imprinted into the palpable world.

Due to the proportion (size) of the IoT and its highly heterogeneous nature, vulnerabilities arise at every corner, both at the hardware and at the software level, so the reliability of the deployed devices is highly questionable.

Blockchain technology, which, at the moment, is on the rise, creates the perfect environment for identifying each device in a unique manner, with improved provenance information.

The purpose of our work is to identify a means of tokenization for IoT devices in the context of Ethereum blockchains.



# State of the art

Looking at the current market for the Internet of Things devices, the flexibility and diversity are both a blessing and a curse.

Most devices are manufactured in limited-trust environments lacking relevant government regulations, without strong controls. So they are affordable but can become security threats, opening vulnerabilities to the attackers.

With this in mind, imagine building a Smart City (or critical infrastructure), containing billions of devices that can be easily counterfeit or cloned.

The proposed solutions in the literature that have been tackled in many scientific papers use the blockchain technology in order to create a secure management of the IoT devices and NFTs to digitalize them.

For this presentation we have chosen the paper made by Javier Arcenegui et al. for which a reference is given at the end of the presentation.



# Non Fungible Token

A **Non-Fungible Token** (NFT) is a token that use the blockchain to identify something or someone in a unique way.

This type of token is perfect to be used on platforms that offer collectible items, access keys, lottery tickets, numbered seats for concerts and sport matches, etc.

This special type of token has amazing possibilities so it deserves a proper Standard, the ERC-721.



# Attributes (ERC-721)

## **tokenId**

unique identifier of the token



## **owner**

owns the token, can transfer ownership and can approve others to act in its name.

## Attributes added to the standard

### **device**

Identify address associated with the IoT device

### **user**

Identify BCA address that interacts with IoT devices

### **Approved and operator**

Helps transfer NFT's to other owners

### **timestamp**

registers if the device checks it is bound with its token.

### **timeout**

Max delay to prove again the bonding

### **tokenState**

Register the actual token state

### **dataEngagement**

Defines the public data needed for agreement

### **hashK\_OD**

Register the owner and device secret shared

### **hashK\_UD**

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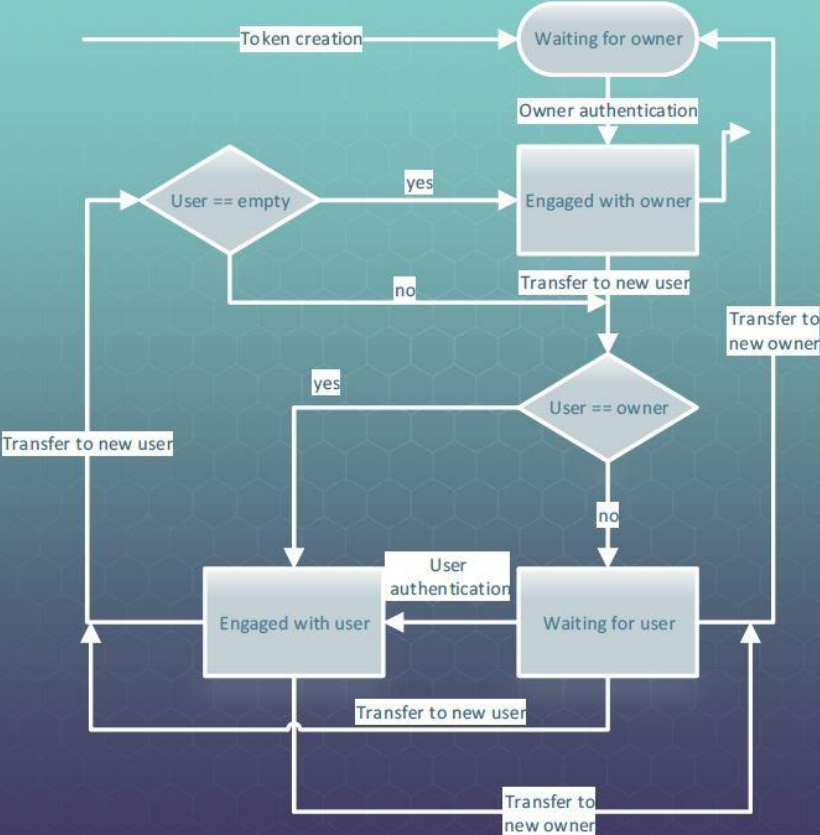
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# State Diagram



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## **balanceOf**

Returns the current balance of the token's owner

## **ownerOf**

Returns the current owner of the token

## **safeTransferFrom**

Transfers the ownership of a token

## **transferFrom**

Transfers the ownership of a token with the possibility of losing the token

## **isApprovedForAll**

Returns if the operator is allowed to manage all of the assets of owner.

## **approve**

Gives permission to operator to transfer token to another account.

## **getApproved**

Returns the account that is approved to manage the token

## **setApprovalForAll**

Approve or remove operator as an operator for the caller.

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## **createToken**

Creates a New Token Linking a Device BCA Address to a tokenId

## **startOwner Engagement**

Starts Engagement Process between Owner and Device

## **Owner Engagement**

Notifies owner and device of their mutual authentication

## **startUser Engagement**

Starts engagement process between user and device

## **userEngagement**

Notifies user and device of their mutual authentication

## **setUser**

The owner assigns a user to the token

## **Update Timestamp**

The device updates the attribute timestamp of its token

## **setTimeout**

The owner of the token sets its attribute timeout

## **checkTimeout**

Checks if the device remains bound to its token

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# Functions we added

## **checkTheLink**

Sends a message to the device. If we get any response back, the link is still active, if not it's disconnected

## **setDeviceState**

Sets the device state

## **getDeviceState**

Gets the device state

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# Events in the standard

## Transfer

Emitted when tokenId token is transferred from owner to someone new.

## Approval

Emitted when owner enables someone to manage the tokenId token.

## ApprovalForAll

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Emitted when owner and device have Engaged.

## **UserAssigned**

Emitted when a new user is set.

## **UserEngaged**

Emitted when user and device have Engaged.

## **TimeoutAlarm**

Emitted when timeout is passed

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Emitted when timeout is passed

## Event we added

### **DeviceMalfunctioned**

Emitted when the link is  
disconnected

## Event we added

### **DeviceMalfunctioned**

Emitted when the link is disconnected

# Some Assumptions

1

## Trusted Manufacturer

We assume that the Manufacturer creates an unique TokenID and puts it into the ROM of the device SoC

2

## Non-leakage SoC

We assume that the Soc has no leakage so all the SoC internal components are trusted.

3

## Secure Boot

We assume that a secure boot process is included in the IoT devices.

?

## More Trust on Manufacturer

# Proposal of Physically Binding IoT Devices



## Private Key

Manufacturer puts in the ROM of the SoC of the IoT devices the TokenID and his PKman

The TokenID is obfuscated and reconstructed with physical unclonable functions (PUFs)



## Sign SW

All the Firmware and Software in the device is signed using the TokenID so we can avoid malicious modifications

Zero-Stage Bootloader (ZSB), is located in the SoC OTP memory. This is our "Root of Trust"

## Root of Trust



## Secure Boot

A secure boot process is performed, in order to verify the firmware and software.

The manufacturer creates the NFT Token in the blockchain

## Trust ??



# Conclusions



Binding IoT devices with an NFT is possible

We explained how to extend the ERC-721



A lot of trust in the manufacturer is required

Research needs to be continued on this topic



## Future work



A future work could be to detach the trust between the manufacturer and the device so that the owner can create and add a device to the blockchain so that no trust in the manufacturer will be required anymore.



who are we ?



# Yellow Team



# References

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- > [https://blockchain.pwias.ubc.ca/sites/blockchain.pwias.ubc.ca/files/report-files/Weingaertner\\_Tokenization\\_loT\\_AI%20\(1\).pdf](https://blockchain.pwias.ubc.ca/sites/blockchain.pwias.ubc.ca/files/report-files/Weingaertner_Tokenization_loT_AI%20(1).pdf)
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- > [https://www.researchgate.net/profile/Jonas-Gross-2/publication/344275773\\_Convergence\\_of\\_Blockchain\\_loT\\_and\\_AI/links/5f69b997458515b7cf46b4e4/Convergence-of-Blockchain-loT-and-AI.pdf](https://www.researchgate.net/profile/Jonas-Gross-2/publication/344275773_Convergence_of_Blockchain_loT_and_AI/links/5f69b997458515b7cf46b4e4/Convergence-of-Blockchain-loT-and-AI.pdf)
- > <https://ieeexplore.ieee.org/document/8726523>



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