# Equitable Key Escrow with Limited Time Span
## (or, How to Enforce Time Expiration Cryptographically)

### Extended Abstract

Mike Burmester[1], Yvo Desmedt[2,1*], and Jennifer Seberry[3]

[1] Information Security Group, Royal Holloway – University of London
Egham, Surrey TW20 OEX, U.K.
m.burmester@rhbnc.ac.uk,
http://hp.ma.rhbnc.ac.uk/~uhah205/
[2] Center for Cryptography, Computer and Network Security, and
Department of EE & CS, University of Wisconsin – Milwaukee, U.S.A.
desmedt@cs.uwm.edu,
http://www.uwm.edu/~desmedt
[3] Center for Computer Security Research, University of Wollongong, Australia,
j.seberry@uow.edu.au,
http://www.cs.uow.edu.au/people/jennie

**Abstract.** With equitable key escrow the control of society over the individual and the control of the individual over society are shared fairly. In particular, the control is limited to specified time periods. We consider two applications: time controlled key escrow and time controlled auctions with closed bids. In the first the individual cannot be targeted outside the period authorized by the court. In the second the individual cannot withhold his closed bid beyond the bidding period. We propose two protocols, one for each application. We do *not* require the use of tamper-proof devices.

**Key Words:** key escrow, auctions with closed bids, time stamps.

## 1 Introduction

Key escrow has been proposed as a mechanism to protect society from individuals who use a communication system for criminal purposes [4, 25, 10] (an excellent survey of key escrow systems is given by D.E. Denning and D.K. Branstad in [11]). However key escrow can also be used to target innocent individuals. This potential targeting is a major factor which contributes to the social unacceptability of key escrow. From the point of view of an individual, key escrow may restrict his/her privacy and give controlling power to society (Big Brother [8]), which may, in certain circumstances, abuse it. In a society oriented key escrow system this power must be equally shared between the individual and society

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(for an analysis of fair cryptosystems see [25, 23]). Furthermore it must have a limited life span. Indeed a major objection to currently proposed key escrow schemes is that there is no effective time control. Once an order to recover a key by the escrow agents has been given, there is nothing to prevent the agents from abusing their power and decrypting all wire-tapped messages, far beyond the time specified by the Court order. Various scenarios can be envisaged in which a threat against a minority is indeed serious. While the Bellare–Goldwasser[3] scheme protects a majority against Big Brother, it does not protect a minority. For example, an extremist group aiming to take control of the government can wire-tap all communication of suspect dissidents, which would then be decrypted when the group took over control.

It is essential that the control of the escrow agents be limited to specified time periods, beyond which it should not be possible for the agents to recover the "old" private keys of a targeted individual. For this purpose we have chosen in our first application of equitable key escrow, to update the keys at regular intervals, and to make it infeasible to compute old keys from the new key. The escrow agents must destroy all the shares of the old keys with each updating. We can allow for a small number of corrupted agents who keep their old shares, but these should not be sufficient to reconstruct the keys.

Our second application of equitable key escrow is contract bidding. In this case it is the individual who may try to abuse society. To prevent a tender from being opened before the specified date, it is encrypted with an escrowed key. The bidder must have some control over the encryption otherwise one can envisage situations in which the escrow agents may collude with a corrupted receiving agent. This threat can be eliminated if the bidder pre-encrypts the bid with his/her own key. However the bidder may then withhold the key. There are several scenarios in which such a threat may be of concern. For example, if altered circumstances make the bid unprofitable, or loss making. In this case, it is "society" (the receiving office) which is threatened by the individual (the bidder). The solution we propose is to force the bidder to use a weak encryption key (a nice discussion on weak encryption is given in [29]). This imposes a time limit which should make it possible for the agents to recover the bid after the tender is opened. Two keys are used: a key for the bidder and an escrowed key. The pair of these keys can be regarded as an enlarged escrow key, in which the share of the bidder is her/his key while the shares of the agents are their old shares. (In this way the bidder is included in all authorized sets.)

Our goal in this paper is to design protocols which achieve equitable key escrow. The organization of this paper is as follows. In Section 2 we present our first protocol for a time controlled key escrow system and discuss its security. In Section 3 we present a protocol for time controlled auctions with closed bids.

**Notation and Background**

Let $p$ be a prime and $g \in Z_p$ an element of large order. All operations in $Z_p$ are performed modulo $p$. For simplicity, and when there is no ambiguity, we

drop the operator "mod$p$". We also write $x \in_R X$ to indicate that the element $x$ is selected uniformly at random from the set $X$, independently of all other selections.

The Diffie-Hellman [16] operator DH is defined by $\mathrm{DH}(g^x, g^y) = g^{xy}$. The problem of finding $\mathrm{DH}(g^x, g^y)$, given $g^x, g^y$, is believed to be hard, and is called the Diffie-Hellman problem. If $g^x, g^y$ and $z \in Z_p$ are given, then the problem of deciding whether $z = \mathrm{DH}(g^x, g^y)$ is called the Diffie-Hellman *decision* problem. If this problem is hard then so is the Diffie-Hellman problem. The *squaring* Diffie-Hellman problem [24] is the problem of finding $\mathrm{DH}(g^x, g^x)$ given $g^x$. This problem is as hard as the Diffie-Hellman problem under some reasonable conditions [24, Theorem 2]. The problem of deciding whether $z = \mathrm{DH}(g^x, g^x)$, given $z, g^x$ is the squaring Diffie-Hellman *decision* problem. If this problem is hard then so are the Diffie-Hellman problem, the Diffie-Hellman decision problem and the squaring Diffie-Hellman problem. We will also consider the problem of finding elements with large order in $Z_p$. This is related to Problem C19 in the Adleman–McCurley list of open problems in Number Theoretic Complexity [1], and is considered to be hard.

## 2   Time controlled key escrow

For simplicity we focus on a basic $\ell$-out-of-$\ell$ escrow system. We will discuss generalizations to other access structures later on.

Our system uses a Discrete Logarithm setting with prime modulus $p$ and $g \in Z_p$ an appropriate element of large order. Initially, at time $t = 0$, the private key of the receiver, Bob, is $a \in_R Z_{p-1}$ and the public key is $y_0 = g^a \bmod p$. Bob shares his private key among $\ell$ escrow agents $\mathrm{EA}_i$, $i = 1, 2, \ldots, \ell$.

In our basic model each agent gets a share $s_i \in_R Z_{p-1}$ $(i = 1, 2, \ldots, \ell - 1)$, and $s_\ell$ is such that $s_1 \cdot s_2 \cdots s_\ell = a \bmod (p-1)$. The main feature of our system is that the private key of Bob and its shares are updated at regular intervals without the need for interaction. At time $t$, the private key of Bob is updated to $a^{2^t} \bmod (p-1)$, the shares are updated to $s_i{}^{2^t} \bmod (p-1)$, and the public key is updated to $y_t = g^{a^{2^t}} \bmod p$. The agents $\mathrm{EA}_i$ compute the new shares by themselves, and *must* destroy the old shares. As a consequence, the escrow agents cannot enable the decryption of a ciphertext which was encrypted with an old key at a later date, even if forced. We shall prove that the problem of decrypting encryptions with earlier keys is related to two problems: the problem of finding elements of large order in $Z_p$ and the squaring Diffie-Hellman decision problem. Both problems are believed to be hard (*cf.* [1, 24]).

We first describe our basic protocol in more detail. For this purpose we combine the multiplicative threshold scheme of Boyd [7], the ElGamal threshold scheme of Desmedt–Frankel [14] and add time dependency using ideas from Blum-Blum-Shub [6]. For verification we adapt Pedersen scheme [27].

**Setting**

**The parties involved:** the sender Alice, the receiver Bob, a Court, the Law Enforcement Agency LEA, and the Escrow Agents $EA_i$, $i = 1, 2, \ldots, \ell$.

**The parameters:** A Discrete Logarithm setting is used. Bob chooses a prime $p$ such that $p - 1$ has two large prime factors $p_1, p_2$, with $p_1 \equiv p_2 \equiv 3 \pmod 4$, so $(-1 \mid p_1) = (-1 \mid p_2) = -1$ ($p_1 p_2$ is a Blum integer [6]), and an element $g \in Z_p$ whose order is $p_1 p_2$. Bob gives $p, g$ to all the agents $EA_i$, $i = 1, 2, \ldots, \ell$, and to Alice.

Bob has a long term public key which is known to all parties concerned. This key is used for authenticating (signing) Bob's encryption keys and the parameters $p, g$, if required.

**Set-up**

Set $time := 0$.

Bob chooses his private key $a \in_R Z_{p-1}^*$ and finds $\ell$ shares $s_i$ of it, $i = 1, \ldots, \ell$, by choosing $s_i \in_R Z_{p-1}^*$ for $i = 1, \ldots, \ell - 1$, and taking $s_\ell = a \cdot (s_1 \cdots s_{\ell-1})^{-1}$ modulo $p - 1$. The public key of Bob is $y_0 = g^a$. Bob publishes this key. Then,

1. Bob gives privately to each agent $EA_i$, $i = 1, 2, \ldots, \ell$, the share $s_i$.
2. Bob publishes $z_1 := g^{s_1}, z_2 := g^{s_2}, \ldots, z_\ell := g^{s_\ell}$, and each agent $EA_i$ checks that these are correct, that is that $z_i = g^{s_i}$, where $s_i$ is its share. If any check fails then Bob has cheated and is reported to the LEA.
   Bob publishes $z_{1,2} := g^{s_1 s_2}$, $z_{1,2,3} := g^{s_1 s_2 s_3}, \ldots$, $z_{1,2,\cdots,\ell} := g^{s_1 s_2 \cdots s_\ell} (= y_0)$, and proves in zero-knowledge to the LEA that these are correctly constructed. That is, Bob proves that $z_{1,2,\ldots,k} = DH(z_{1,2,\ldots,k-1}, z_k)$, for $k = 2, \ldots, \ell$, by using an interactive zero-knowledge proof for the Diffie-Hellman problem – an example of such a proof is given in Appendix A. If any of the proofs fails, then Bob has cheated and is reported to the LEA.

# The protocol

**Updating**

At $time = t$

Each agent $EA_i$ updates his share by squaring it, *i.e.*, the current share is $s_i^{2^t} \bmod (p-1)$, and then destroys the old share ($s_i^{2^{t-1}} \bmod (p-1)$).

Bob updates his private key to $a^{2^t} \bmod (p-1)$ and publishes his public key $y_t := g^{a^{2^t}} \bmod p$. If necessary Bob proves to the LEA that this is correct by using an interactive zero-knowledge proof for the Diffie-Hellman problem (for example, the interactive proof given in Appendix A). That is, Bob proves that $y_t = DH(y_{t-1}, y_{t-1})$.

**Getting an escrowed key**

1. Alice asks Bob for a new encryption key.

2. Bob sends Alice his public key which is authenticated with his long term key, $(p, g, y_t, \text{sign}_{\text{Bob}}(p, g, y_t))$.
3. If Bob's signature is valid then Alice sends Bob the encryption $\text{ElG}(m) = (g^r, m y_t{}^r)$, $r \in_R Z_{p-1}^*$, of a message $m \in Z_p^*$ with key $y_t$.
4. If the Court has issued an order to recover the message, then the LEA will wire-tap the communication and send $g^r$ to agent $\text{EA}_1$. The agents $\text{EA}_1, \text{EA}_2, \ldots, \text{EA}_\ell$ then compute $y_t{}^r$ sequentially as follows: for $i < \ell$, each $EA_i$ on receiving $g^{r \prod_{j=1}^{i-1} s_j^{2^t}}$ computes $g^{r \prod_{j=1}^{i} s_j^{2^t}} := (g^{r \prod_{j=1}^{i-1} s_j^{2^t}})^{s_i^{2^t}}$, which it sends to $\text{EA}_{i+1}$. Agent $\text{EA}_\ell$ then computes $(g^{r \prod_{j=1}^{\ell-1} s_j^{2^t}})^{s_\ell^{2^t}}$, which it sends to the LEA. Since this corresponds to $y_t{}^r$, the LEA can decrypt the ciphertext.

## Security

**Theorem 1. (Irreversible time)** *If the squaring Diffie-Hellman decision problem is hard and if finding elements of large order in $Z_p$ is hard, then decrypting old ciphertext with new shares of the escrow agents is hard.*

*Proof. (Sketch)* Suppose that there is a polynomial time algorithm **A** which on input $p, g, z_1, z_2, \ldots, z_\ell, z_{1,2}, z_{1,2,3}, \ldots, z_{1,2,\ldots,\ell}$, the shares $s_1^{2^t}, s_2^{2^t}, \ldots, s_\ell^{2^t}$, the old shares of $(\ell - 1)$ corrupted shareholders, Bob's long term public key, the certificates $(p, g, y_j, \text{sign}_{\text{Bob}}(p, g, y_j))$, $j = 1, 2, \ldots, t$, and an old ciphertext $(w_1, w_2)$, with $w_1 = g^r$, $r \in Z_{p-1}^*$, $w_2 = m y_{t-u}^r$, $m \in Z_p^*$, will output the message $m$. Then **A** can be used to compute $g^{r a^{2^{t-u}}}$ $(= w_2/m)$. We now will use **A** to get an element in $Z_p$ of large order. First we prepare an input for **A**.

Note that $0 < u < t$ (since public key $y_0$ is never used to encrypt). Assume that the dishonest escrow agents are $i_1, i_2, \ldots, i_{\ell-1}$ and let $i_\ell$ be the honest escrow agent. Find an appropriate long term secret key for Bob. Choose $\bar{s}_1, \bar{s}_2, \ldots, \bar{s}_\ell \in_R Z_{p-1}^*$. Compute $b_0 = \bar{s}_1 \cdots \bar{s}_\ell \bmod p - 1$, $\bar{z}_1 := g^{\bar{s}_1}$, $\bar{z}_2 := g^{\bar{s}_2}$, $\ldots$, $\bar{z}_\ell := g^{\bar{s}_\ell}$, $\bar{z}_{1,2} := g^{\bar{s}_1 \bar{s}_2}$, $\ldots$, $\bar{z}_{1,2,\ldots,\ell} := g^{\bar{s}_1 \cdots \bar{s}_\ell}$, and $\bar{y}_0 := g^{b_0}$, $\bar{y}_1 := g^{b_0^2}, \ldots$, $\bar{y}_{t-u-1} := g^{b_0^{2^{t-u-1}}}$.

Take $b \in_R Z_{p-1}^*$ and compute $\bar{s}'_{i_1} := \bar{s}_{i_1}^{2^{t-u}}$, $\bar{s}'_{i_2} := \bar{s}_{i_2}^{2^{t-u}}$, $\ldots$, $\bar{s}'_{i_{\ell-1}} := \bar{s}_{i_{\ell-1}}^{2^{t-u}} \in_R Z_{p-1}^*$. Compute $\bar{s} := \bar{s}'_{i_1} \cdot \bar{s}'_{i_2} \cdots \bar{s}'_{i_{\ell-1}}$, $\bar{s}'_{i_\ell} := b \cdot (\bar{s})^{-1}$, and the public keys $\bar{y}_{t-u} = g^b$, $\bar{y}_{t-u+1} = g^{b^2}$, $\ldots$, $\bar{y}_t = g^{b^{2^u}}$. Observe that even though it is highly unlikely that the public key $\bar{y}_{t-u}$ is properly constructed (that is, it is highly unlikely that $\bar{y}_{t-u} = \text{DH}(\bar{y}_{t-u-1}, \bar{y}_{t-u-1})$), it is hard for **A** to recognize this, if the squaring Diffie-Hellman decision problem is hard.

Give as input to **A**: $p, g, \bar{z}_1, \bar{z}_2, \ldots, \bar{z}_\ell, \bar{z}_{1,2}, \ldots, \bar{z}_{1,2,\ldots,\ell}$, the "shares" $\bar{s}'_1^{2^u}, \ldots, \bar{s}'_\ell^{2^u}$, the "old shares" $\bar{s}'_{i_1}, \ldots, \bar{s}'_{i_{\ell-1}}$, Bob's long term public key, the certificates $(p, g, \bar{y}_j, \text{sign}_{\text{Bob}'}(p, g, \bar{y}_j))$, $j = 1, 2, \ldots, t$, and an "old" ciphertext $(\bar{w}_1, \bar{w}_2)$ encrypted at time $t - u$, with $\bar{w}_1 = g^{\bar{r}}$, $\bar{r} \in_R Z_{p-1}^*$, and $\bar{w}_2 \in_R Z_p^*$. Algorithm **A** will output a message $\bar{m}$ such that $\bar{w}_2/\bar{m} = g^{\bar{r} d}$, where $d$ is a $2^u$–th root of $b^{2^u}$ which is a quadratic residue in $Z_{p_1 p_2}$. However $b$ was chosen at random in

$Z_{p-1}^*$, so that with probability $3/4$ we get that $b \bmod p_1 p_2$ is not a residue in $Z_{p_1 p_2}$. (Indeed $a^{2^t}$, for $t > 1$, has 4 square roots in $Z_{p_1 p_2}$ of which only one is a quadratic residue, because of our restrictions on the primes $p_1, p_2$. It follows that there is only one primitive $2^u$–th root of $a^{2^t}$ in $Z_{p_1 p_2}$, $0 < u \leq t$, which is a quadratic residue. in $Z_{p_1 p_2}$.) Then with probability one half, $b - d$ is either a multiple of $p_1$ or a multiple of $p_2$. This means that $g^{\bar{r}d}/g^{\bar{r}b} = g^{\bar{r}(d-b)}$ has order $p_1$ or $p_2$. Consequently **A** can find an element in $Z_p$ of large order.

(Note that, since we work modulo $p$, the view of the communication between the escrow agents when co-decrypting can also be included in the simulation, as discussed in the final paper. Moreover, if this communication is encrypted (to prevent an outsider to learn the ciphertext), the simulation of this part is straightforward.) □

**Theorem 2. (Privacy)** *A wire-tapper may try to decipher the ciphertext. This is as hard as the Diffie-Hellman problem.*

*Proof. (Sketch)* We show this by using the approach in [13]. Suppose that **B** is a polynomial time algorithm which on input: $p, g, z_1, z_2, \ldots, z_\ell,\ z_{1,2},\ z_{1,2,3},$ $\ldots, z_{1,2,\ldots,\ell}$, the certificates $(p, g, \bar{y}_j, \mathrm{sign}_{\mathrm{Bob}'}(p, g, \bar{y}_j))$, $j = 1, 2, \ldots, t$, and the ciphertext $(\bar{w}_1, \bar{w}_2)$, $\bar{w}_1 = g^r$, $\bar{w}_2 = m y_t^r$, will output $m$. We now prove that **B** can be used to solve the Diffie-Hellman problem. Let $p, g, \bar{y}_t, \bar{w}_1$ be an instance of the the Diffie-Hellman problem. Construct $\bar{z}_1, \bar{z}_2, \ldots, \bar{z}_\ell,\ \bar{z}_{1,2},\ , \ldots, \bar{z}_{1,2,\ldots\ell},$ $\bar{y}_0, \bar{y}_1, \ldots, \bar{y}_t \in Z_p^*$, as in the previous case. Give this as input to **B** together with $(\bar{w}_1, \bar{w}_2)$, to get a "message" $\bar{m}$ such that $\bar{w}_2/\bar{m} = \mathrm{DH}(\bar{y}_t, \bar{w}_1)\ \ (= \bar{y}_t^{\bar{r}})$. The rest can all be simulated because we have used zero-knowledge proofs. □

## 2.1 Generalizations

Generalizing time controlled $l$-out-of-$l$ key escrow systems to $l'$-out-of-$l$ systems, is straightforward when using more complex secret sharing schemes over $Z_{p-1}^*(*)$. The subset of escrow agents involved in the decryption must be known in advance. Secret sharing schemes that could be used for this purpose can be found in [15,12,2,5], when using techniques such as those described in [18,13]. Robustness can be achieved by using, for example [21,20].

Other properties such as proactive secret sharing can also be achieved using [22,19,28].

## 3 Time controlled auctions with closed bids

We first consider a basic (additive) $\ell$-out-of-$\ell$ escrow system, using a simple setting. Generalizations will be discussed later.

Our system uses a Discrete Logarithm setting with composite modulus $n = p_1 p_2$, where $p_1, p_2$ are appropriate large primes. The bidder, Alice, chooses $n$ and $g_1, g_2 \in Z_n$ such that $g_1$ has large order whereas $g_2$ has a rather small prime order $q$. Alice has two public keys for encryption: $y_1 = g_1^{a_1} \bmod n$, $y_2 = g_2^{a_2} \bmod n$,

where $a_1 \in_R Z_{\phi(n)}$, $a_2 \in_R Z_q$. The private key $a_1$ is shared among $\ell$ escrow agents $EA_i$, $i = 1, 2, \ldots, \ell$. The other is not shared. For this system the public key $y_2$ is weak and must be used *only once*. This key must be such that it can be recovered by an exhaustive search of the key space, but the time taken for this search should not be too short.[1]

Alice "double" encrypts her contract bid $m$ by using the keys $y_1, y_2$. Let $\mathrm{ElG}^2(m)$ be the encryption. Alice sends this to the receiving agent Bob. At completion she will reveal both secret keys $a_1, a_2$, from which Bob will get the tendered bid $m$. If Alice refuses to reveal these keys, then Bob informs the escrow agents who will enable a first decryption. This will make it possible for Bob to get an encryption $\mathrm{ElG}(m)$ of $m$ with private key $a_2$. Bob then initiates a procedure to recover $m$, by exhaustively breaking this encryption. Bob can achieve this because the second key is relatively weak. A similar argument applies if a Court order is issued to the escrow agents to enable the decryption of $\mathrm{ElG}^2(m)$. The security issues of this protocol will be discussed in more detail later. We first describe the protocol more formally. For this purpose we use the additive threshold scheme of Boyd and Frankel [7, 17], and/or the ElGamal threshold scheme of Desmedt–Frankel [14] and use the concept of weak encryption (see, *e.g.*, [29]).

## Setting

**The parties involved:** the bidder Alice, the receiving officer Bob, a Court, the Law Enforcement Agency LEA, and the Escrow Agents $EA_i$, $i = 1, 2, \ldots, \ell$.
**The parameters:** Both Alice and Bob have long term public keys which are known to each other. These keys are used for authentication (signing).
A Discrete Logarithm setting is used with a composite modulus $n$. Alice chooses $n = p_1 p_2$, a product of two large primes $p_1, p_2$, with $p_1 - 1 = 2qq_1$, $p_2 - 1 = 2qq_2$, $q_1, q_2$ primes, and $q$ a rather small prime (say 140 bits).
Alice chooses $g_1 \in_R Z_n$ and $g_2 \in Z_n$ such that $\mathrm{ord}(g_2 \bmod p_1) = \mathrm{ord}(g_2 \bmod p_2) = q$. Here $\mathrm{ord}(g_2 \bmod p_1)$ is the order of $g_2$ in $Z_{p_1}$ and $\mathrm{ord}(g_2 \bmod p_2)$ is the order of $g_2$ in $Z_{p_2}$. Consequently $g_2$ has order $q$ in $Z_n$.

## Set-up

Alice chooses $a_1 \in_R Z_{\phi(n)}$, $a_2 \in_R Z_q$. The public key of Alice is $(n, q, g_1, g_2, y_1, y_2)$, where $y_1 := g_1^{a_1} \bmod n$, $y_2 := g_2^{a_2} \bmod n$.
Alice finds $\ell$ shares of $a_1$, by choosing exponents $s_i \in_R Z_{\phi(n)}$ for $i = 1, 2, \ldots, \ell-1$, and taking $s_\ell = a_1 - (s_1 + s_2 + \ldots + s_{\ell-1}) \bmod \phi(n)$.

1. Alice gives privately to each agent $EA_i$, $i = 1, 2, \ldots, \ell$, the share $s_i$.
2. Alice publishes $z_1 := g_1^{s_1}, z_2 := g_1^{s_2}, \ldots, z_\ell := g_1^{s_\ell}$. Each agent $EA_i$ checks that $z_i = g_1^{s_i}$ and reports failure to the LEA. The LEA checks that $y_1 = z_1 \cdot z_2 \cdots z_\ell$. If any of the checks of the $EA_i$'s fails or if the LEA's check fails

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[1] Since an exhaustive search is parallelizable, some kind of inherently sequential scheme may be used, such as the *time-lock puzzles* proposed in [29]. Our protocol can easily be adapted to allow for such schemes.

then Alice has cheated, the tender is rejected, and appropriate actions are taken.

## Sending an encrypted contract bid

1. Alice sends Bob the pair of her public keys authenticated with her long term key,
$$(n, q, g_1, g_2, y_1, y_2, \mathrm{sign}_{\mathrm{Alice}}(g_1, g_2, n, q, y_1, y_2)),$$
   and the encrypted bid $\mathrm{ElG}^2(m) = (g_1^{r_1}, g_2^{r_2}, m y_1^{r_1} y_2^{r_2})$, where $m \in Z_n^*$ is the bid and $r_1, r_2 \in_R Z_n$.
2. If the parameters are in the appropriate fields, with $q$ a small prime, if the order of $g_2$ and $y_2$ are both $q$, and if Alice's public keys are authenticated properly, then Bob accepts the tender and sends Alice a receipt $\mathrm{sign}_{\mathrm{Bob}}(\mathrm{Alice}, \mathrm{ElG}^2(m))$.

### Opening a tender

When the tender is due to be opened, Alice sends Bob the private keys $a_1, a_2$. Bob checks these for correctness. If correct, $\mathrm{ElG}^2(m)$ is decrypted to get the bid $m$, which is validated.

If Alice refuses to send her keys, the LEA is informed and initiates a procedure to recover $m$.

### The Court recovers the bid

If the Court has issued an order to recover the bid, the LEA will wire-tap the communication and send $g^{r_1}$ to the escrow agents who will compute $y_1^{r_1}$. From this the LEA can get $\mathrm{ElG}(m) = (g_2^{r_2}, m y_2^{r_2})$. The key for this ciphertext is weak, so the LEA can recover $m$ by brute force. However, $q$ has to be sufficiently large to prevent a conspiracy, as explained further on.

## Security

The security of this system relies on the difficulty of factoring a number $n = p_1 p_2$, $p_1, p_2$ primes, when a particular number $g_2 \in Z_n$ is given, with a rather small prime order $q$. It is important that both $g_2 \bmod p_1 \neq 1$ and $g_2 \bmod p_2 \neq 1$. Otherwise, if say $g_2 \bmod p_1 = 1$, then $p_1$ is a factor of $g_2 - 1$ and it becomes easy to factor $n$ by taking the $gcd(n, g_2 - 1)$. Observe that for $g_2 = n - 1$ we have $q = 2$, but this trivial case is too small to be of any use for us.

### Fair auction bidding

Alice may refuse to open her bid, on completion. Bob will inform the LEA and the Court will authorize the escrow agents to decrypt the ciphertext. The escrow agents will compute $y_1^{r_1}$ from which the LEA will get $\mathrm{ElG}(m) = (g_2^{r_2}, m y_2^{r_2})$. The key for this ciphertext is weak, so the LEA can initiate a procedure to recover $m$ by brute force. (Note that $q$ has to be sufficiently large, as we now

explain.)

## Conspiracy

The agents may be corrupted by the bidding officer Bob. They will recover $\mathrm{ElG}(m) = (g_2{}^{r_2}, my_2{}^{r_2})$, but if the key $y_2$ is not too weak they will not be able to recover the message in time. For this reason $q$ cannot be too small.

**Theorem 3. (Privacy)** *A wire-tapper may try to decipher the bid $m$. This is as hard as breaking the Diffie-Hellman problem.*

*Proof. (Sketch)* For simplicity assume that the dishonest escrow agents are numbered from 1 to $\ell - 1$ (this can easily be generalized). Suppose that $\mathbf{A}$ is a polynomial time algorithm which on input: $n, q, g_1, g_2, y_1, y_2$, authenticated with Alice's long term key, $z_1, z_2, \ldots, z_\ell$, and $(g_1^{r_1}, g_2^{r_2}, my_1{}^{r_1}y_2{}^{r_2})$, will output $m$. Let $n, g_1, \bar{y}_1, g_1{}^{\bar{r}_1}$ be an instance of the Diffie-Hellman problem similar as in [14,13]. Take $\bar{s}_1, \ldots, \bar{s}_{\ell-1} \in_R Z_n$, and $\bar{s} = \bar{s}_1 + \ldots + \bar{s}_{\ell-1}$. Then let $\bar{z}_1 = g^{\bar{s}_1}$, $\ldots, \bar{z}_{\ell-1} = g^{\bar{s}_{\ell-1}}$ and $\bar{z}_\ell = \bar{y}_1 g_1^{-\bar{s}}$. Find an appropriate long term key for Alice. Finally take $\bar{r}_2 \in_R Z_q$ and compute $g_2^{\bar{r}_2}$ and $y_2^{\bar{r}_2}$.

Give as input to $\mathbf{A}$: $n, q, g_1, g_2, \bar{y}_1, \bar{y}_2$, authenticated with Alice's public key, $\bar{z}_1, \ldots, \bar{z}_\ell$, and $(g_1^{\bar{r}_1}, g_2^{\bar{r}_2}, \bar{w})$, where $\bar{w} \in_R Z_n$. Algorithm $\mathbf{A}$ will output $\bar{m}$, such that $\bar{w}/\bar{m} = \bar{y}_1^{\bar{r}_1}\bar{y}_2^{\bar{r}_2}$, from which we get $\mathrm{DH}(\bar{y}_1, g_1{}^{\bar{r}_1}) = \bar{y}_1^{\bar{r}_1}$.  □

## Generalizations

Similar generalizations to those in Section 2.1 apply. (Although $\phi(n)$ is not public, techniques similar to those in [18,13] will address this problem.)

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# A    A zero-knowledge proof for the Diffie-Hellman decision problem

The zero-knowledge proof for the Diffie-Hellman decision problem in [9] is not adequate for our purpose, since it designed for the case when the group of the exponents has prime order. In our case the group of exponents has composite order. The following protocol will serve our purpose.

**Input:**    A prime $p$, $g \in Z_p$ of large order, $\alpha = g^a \bmod p$, $\beta = g^b \bmod p$, $\gamma = g^{ab} \bmod p$.

Repeat independently $t = \log p$ times the following subroutine:

1. The Prover selects exponents $x, y \in_R Z_{p-1}$ and sends to the Verifier: $\kappa_x = g^x \bmod p$, $\kappa_y = g^y \bmod p$, $\kappa_{xy} = g^{xy} \bmod p$, $\kappa_{ay} = g^{ay} \bmod p$, and $\kappa_{bx} = g^{bx} \bmod p$.
2. The Verifier sends the Prover a query bit $e \in_R \{0, 1\}$.
3. If $e = 0$ the Prover sends $x, y$ to the Verifier, and the Verifier checks that: $\kappa_x = g^x \bmod p$, $\kappa_y = g^y \bmod p$, $\kappa_{xy} = g^{xy} \bmod p$, $\kappa_{ay} = \alpha^y \bmod p$, and $\kappa_{bx} = \beta^x \bmod p$.
   If $e = 1$ the Prover sends $a' = a + x \bmod (p-1)$, $b' = b + y \bmod (p-1)$ to the Verifier who checks that: $g^{a'} \equiv \alpha \cdot \kappa_x \pmod{p}$, $g^{b'} \equiv \beta \cdot \kappa_y \pmod{p}$, and $g^{a'b'} \equiv \gamma \cdot \kappa_{ay} \cdot \kappa_{bx} \cdot \kappa_{xy} \pmod{p}$.
   If any of the checks fails, the Verifier halts and rejects the proof.

The Verifier accepts the proof of the Prover if all $t$ rounds have been completed successfully.

Let $L = \{(p, \alpha, \beta, \gamma) \mid p \text{ prime}, \alpha = g^a \bmod p, \beta = g^b \bmod p, \gamma = g^{ab} \bmod p\}$. Then,

**Theorem 4.** *The protocol above is a perfect zero-knowledge proof of membership in $L$.*

*Proof. (Sketch)*

*Completeness:* Obvious.

*Soundness:* If the Prover can answer the queries $e = 0, 1$ then there exist $a, b, x, y$ such that $a' = a + x \bmod (p-1)$, $b' = b + y \bmod (p-1)$, with $\kappa_{ay} = \alpha^y \bmod p$, $\kappa_{bx} = \beta^x \bmod p$, $\kappa_{xy} = g^{xy} \bmod p$, and $\gamma \equiv g^{a'b'} \cdot \kappa_{ay}^{-1} \cdot \kappa_{bx}^{-1} \cdot \kappa_{xy}^{-1} \equiv g^{ab} \pmod{p}$.

*Zero-knowledge:* Let $\alpha, \beta, \gamma$ be given. Pick $a', b' \in_R Z_{p-1}$, and let $\kappa_x = g^{a'}/\alpha \bmod p$, $\kappa_y = g^{b'}/\beta \bmod p$. Then solve $\alpha^{b'} \equiv \gamma \cdot \kappa_{ay} \pmod{p}$, $\beta^{a'} \equiv \gamma \cdot \kappa_{bx} \pmod{p}$, $g^{a'b'} \equiv \gamma \cdot \kappa_{ay} \cdot \kappa_{bx} \cdot \kappa_{xy} \pmod{p}$, for the unknowns $\kappa_{ay}, \kappa_{bx}, \kappa_{xy}$, respectively.     $\square$