

# Differentially Private Resource Sharing\*

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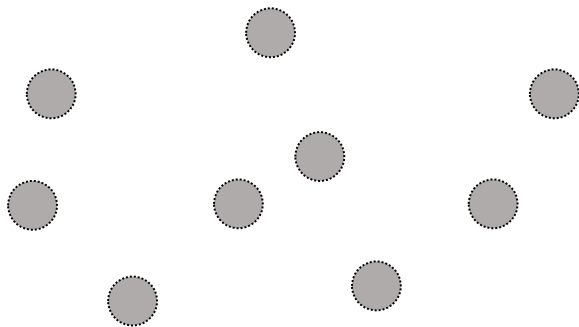
\*<https://arxiv.org/abs/2110.10498>



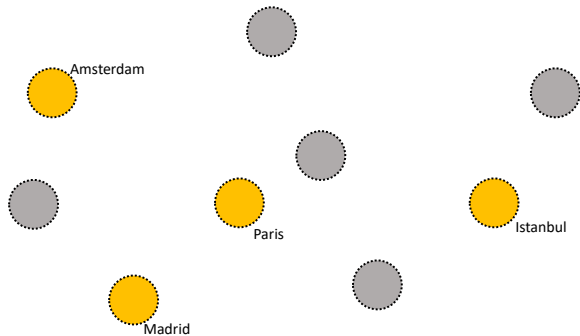
# Agenda

1. Motivation
2. Problem Formulation
3. Methodology
4. Differential Privacy
5. Simulation Study

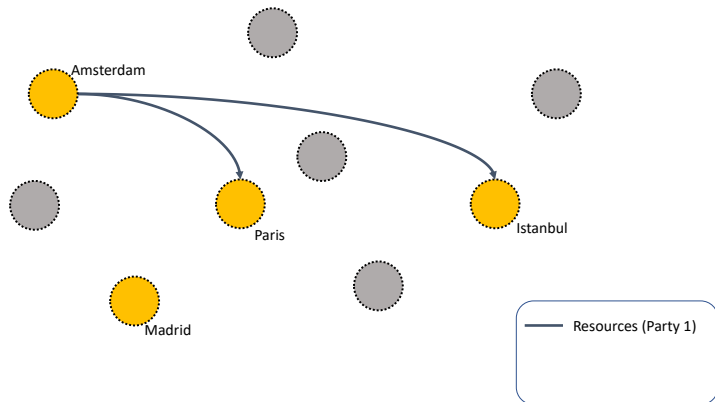
# Motivation



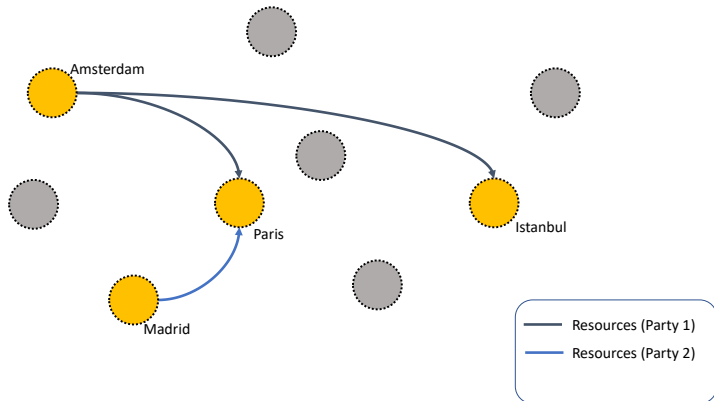
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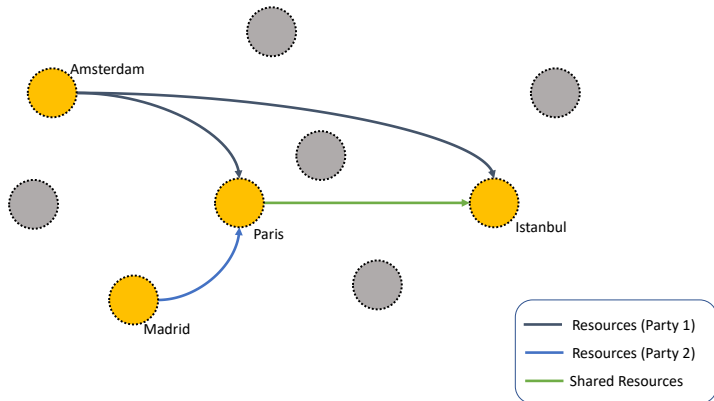
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- Unused capacities (flights, trucks, ships, manufacturing lines, etc.)
- Sustainability in logistics and production
- Resource sharing



# Motivation

- Willingness to collaborate
- Concerns about data sharing
- Regulations and privacy guarantees

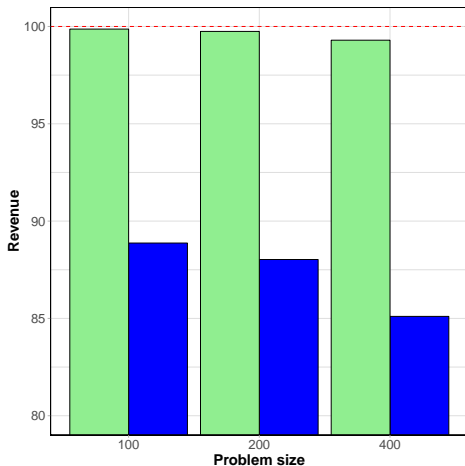
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# Motivation: Contribution of Collaboration



# Modeling

$\mathcal{K}$  : set of parties

$u_k$  : utility vector for party  $k$

$A_k, B_k$ : shared and individual constraint matrices

$c$  : shared resource capacities

$b_k$  : individual constraint constants

$$\text{maximize} \quad \sum_{k \in \mathcal{K}} u_k^T x_k,$$

$$\text{subject to} \quad \sum_{k \in \mathcal{K}} A_k x_k \leq c,$$

$$x_k \in \mathcal{X}_k,$$

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$$\mathcal{X}_k = \{x_k \in \mathbb{R}^{n_k} : B_k x_k \leq b_k\}$$

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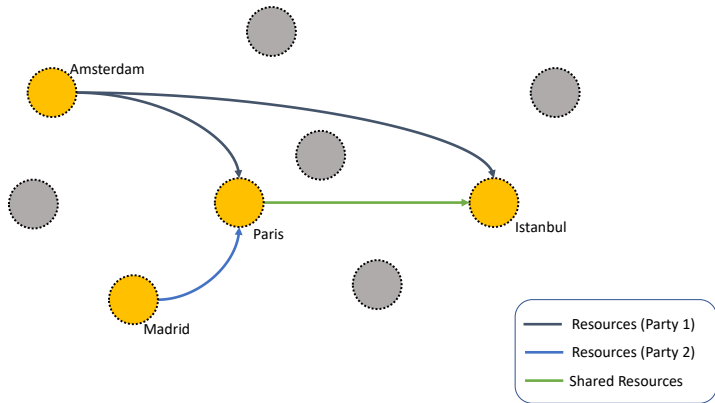
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## Definition (Data set)

$$\mathcal{D}_k : \{A_k, B_k, b_k, u_k\}.$$





# Problem Reformulation

$$\begin{array}{ll}
 \text{maximize} & \sum_{k \in \mathcal{K}} u_k^T x_k, \\
 \text{subject to} & A_k x_k \leq s_k, \quad k \in \mathcal{K}, \\
 & x_k \in \mathcal{X}_k, \quad k \in \mathcal{K}, \\
 & \sum_{k \in \mathcal{K}} s_k = c, \\
 & s_k \geq 0, \quad k \in \mathcal{K}.
 \end{array}$$

# Problem Reformulation

$$L(x, s, \lambda) := c^T \lambda + \sum_{k \in \mathcal{K}} u_k^T x_k - s_k^T \lambda$$

$g(\lambda; \mathcal{D}_k) :=$  maximize  
subject to

$$\begin{aligned} & u_k^T x_k - s_k^T \lambda, \\ & A_k x_k \leq s_k, \\ & x_k \in \mathcal{X}_k, \\ & s_k \geq 0. \end{aligned}$$

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# Problem Reformulation

$$g(\lambda; \mathcal{D}_{\mathcal{K}}) := \text{maximize} \quad \sum_{k \in \mathcal{K}} u_k^T x_k + \left( c - \sum_{k \in \mathcal{K}} s_k \right)^T \lambda,$$

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# Problem Reformulation: Lagrange Dual Model

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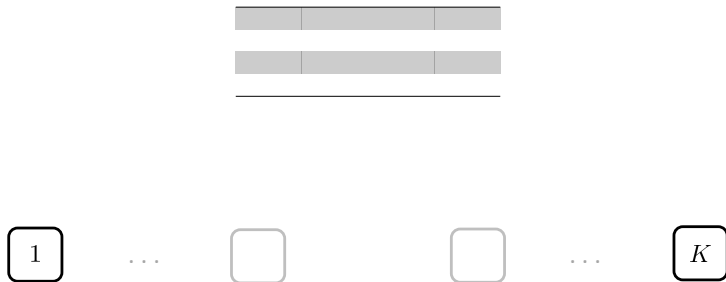
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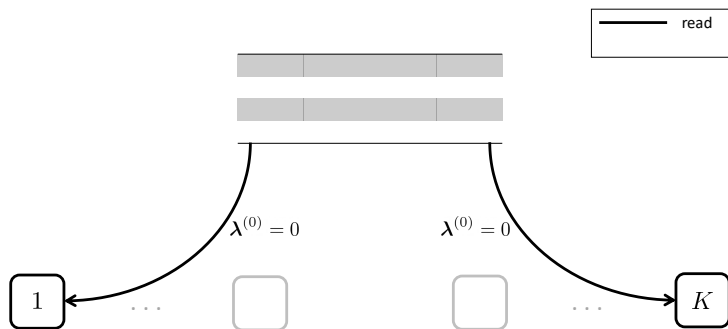
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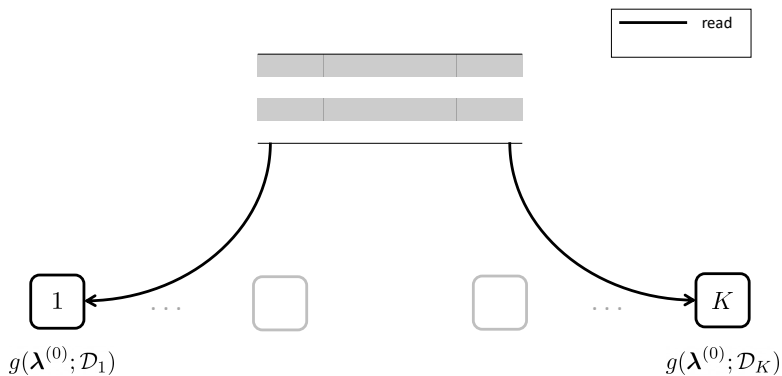
# Methodology: Data-hiding via Decomposition



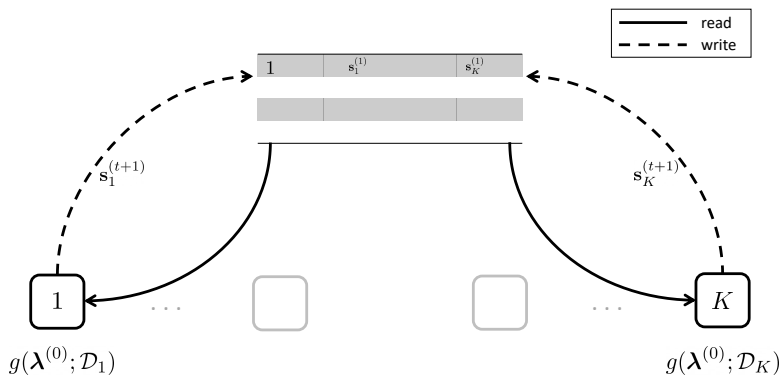
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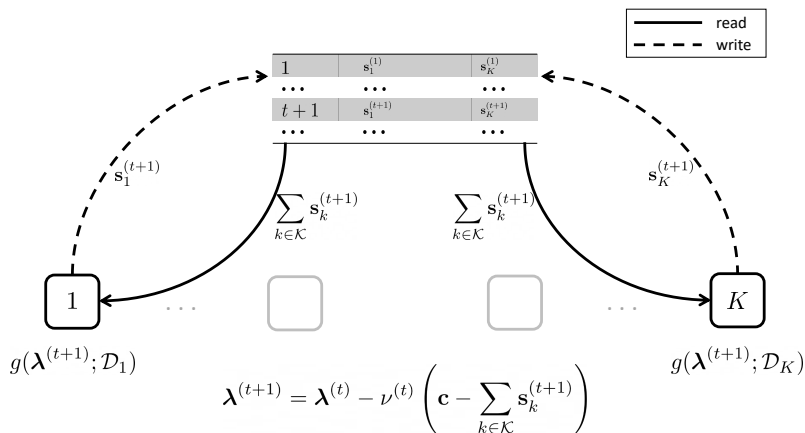
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# Theoretical Results

$$\begin{aligned}
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Pros:

- Almost no data is shared except  $s_k$
- Convergence to optimal

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Cons:

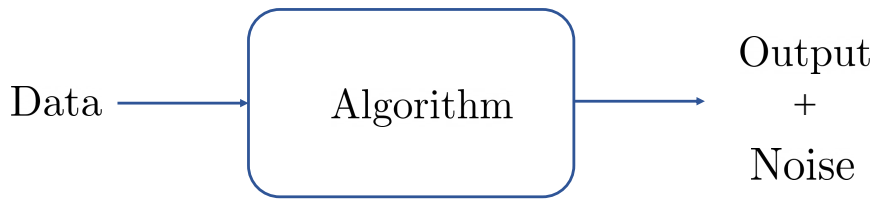
- Information leakage
- No formal privacy guarantee

# Basics of Differential Privacy

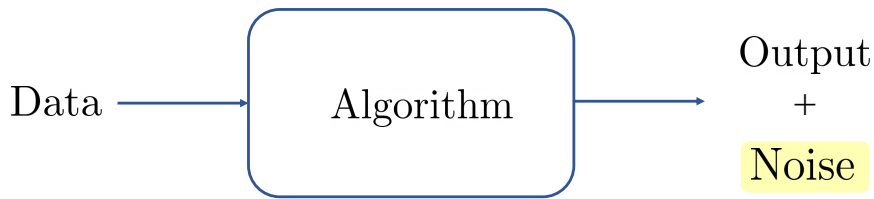




# Basics of Differential Privacy



# Basics of Differential Privacy: Laplace Mechanism



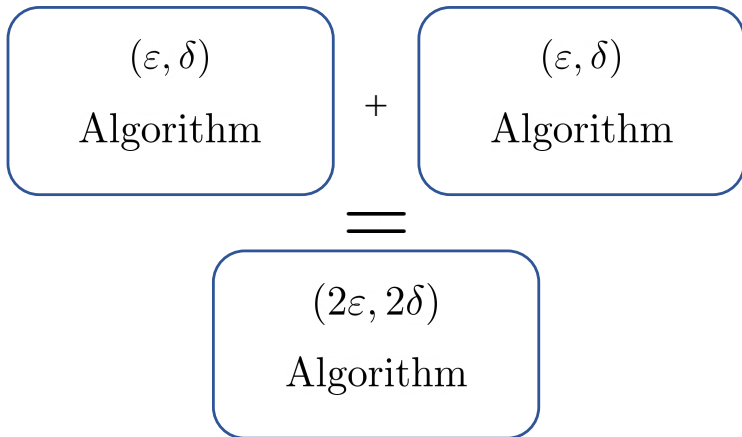
$$\text{Noise} \sim \text{Lap}(0, \Delta f / \epsilon)$$

# Basics of Differential Privacy: Sensitivity

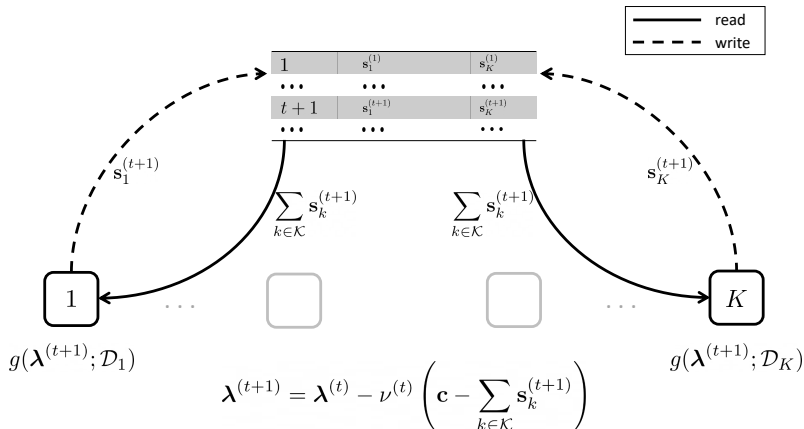


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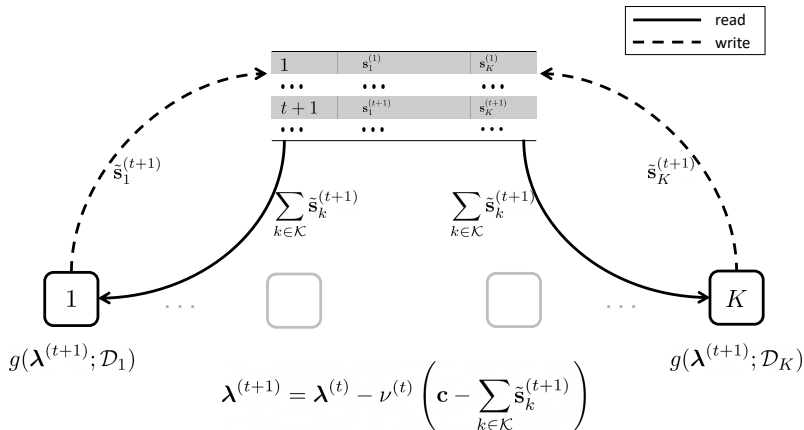
## Basics of Differential Privacy: Basic Composition Theorem



## Recall: Data-hiding via Decomposition



## Differentially Private Algorithm



# Differentially Private Algorithm

$$\begin{aligned} \left(x_k^{(t+1)}, s_k^{(t+1)}\right)_{k \in \mathcal{K}} &= \arg \max_{x, s} L(x, s, \lambda^{(t)}), \\ \lambda^{(t+1)} &= \lambda^{(t)} - \nu^{(t)} \left(c - \sum_{k \in \mathcal{K}} \tilde{s}_k^{(t+1)}\right), \end{aligned} \quad (1)$$

$$\tilde{s}_k^{(t+1)} = s_k^{(t+1)} + \omega_k^{(t+1)},$$

$\omega_k \sim \text{Lap}(0, T\Delta_k/\epsilon)$ .

$\Delta_k = \|\bar{s}_k\|_\infty$ :

- If no agreement:  $\bar{s}_k \leq c$ .

# Differentially Private Algorithm

After  $T$  iteration, the difference between  $\epsilon$ -differentially private algorithm objective function and optimal objective function:

$\epsilon$ -differential privacy

$$\min_{t=1, \dots, T-1} (\mathbb{E}[L(x_k^{(t+1)}, s_k^{(t+1)}, \lambda^{(t)}) - L(x_k^*, s_k^*, \lambda^*)]) \leq M \sqrt{\frac{2T\sigma}{\epsilon^2} + \frac{\|\bar{s}_{\mathcal{K}}\|^2}{T}}.$$

$$\|\lambda^{(0)} - \lambda^*\| \leq M, \sigma = \sum_{k \in \mathcal{K}} \|\bar{s}_k\|^2 \text{ and } \bar{s}_{\mathcal{K}} = \sum_{k \in \mathcal{K}} \bar{s}_k.$$

$(\epsilon, \delta)$ -differential privacy ( $\epsilon \in (0, 0.9)$  ve  $\delta \in (0, 1]$ )

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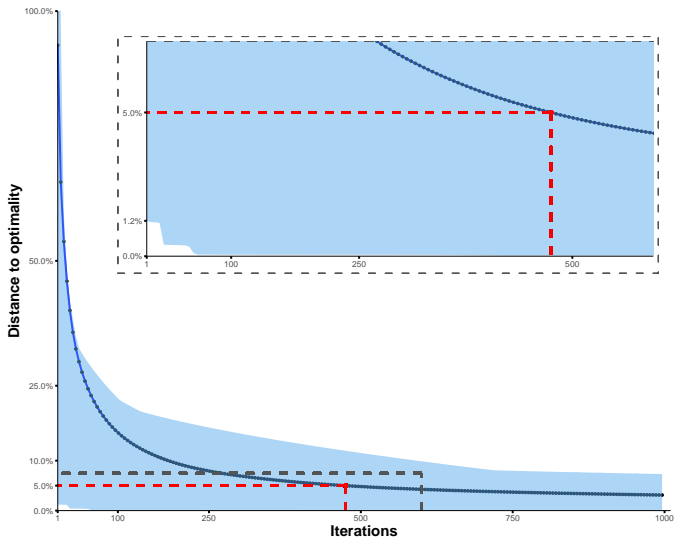
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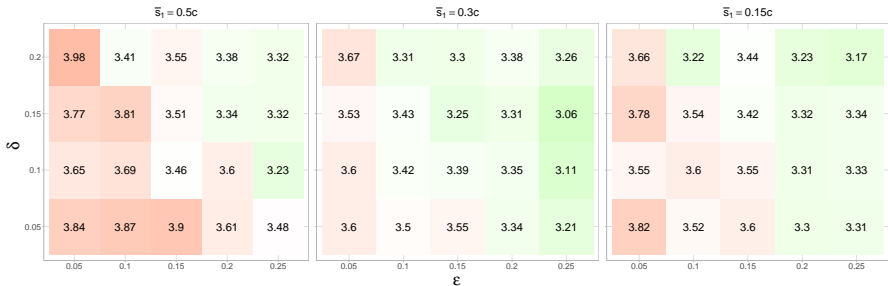
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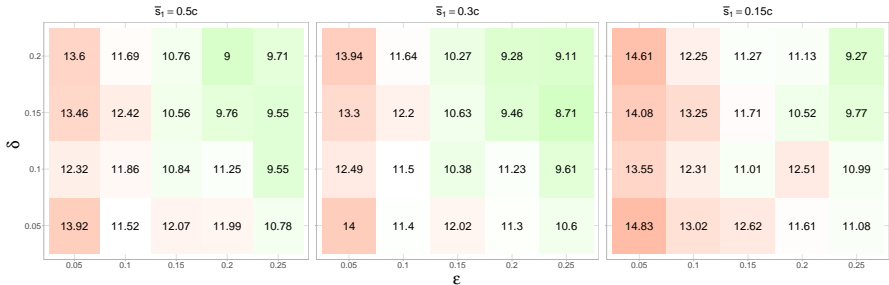
# Simulation Study: The Setup

- Production planning example
- Five parties sharing five capacities
- Individual capacities and demand constraints
- Diminishing step-length
- Results over 100 simulation runs
- Focus is on one party ( $k = 1$ )

# Simulation Study: Data-Private Model



Simulation Study: Differential Privacy ( $\bar{\epsilon}_{\mathcal{K}} = 1.20c$ )

Simulation Study: Differential Privacy ( $\bar{\epsilon}_K = 1.50c$ )

# Some Progress...

- Current results with diminishing step length
- Upgrades: Momentum based updates on (stochastic) subgradient method

$$\lambda^{(t+1)} = \lambda^{(t)} - \nu^{(t)} \left( c - \sum_{k \in \mathcal{K}} s_k^{(t+1)} \right) + \rho \left( \lambda^{(t)} - \lambda^{(t-1)} \right)$$

$$\lambda^{(t+1)} = \lambda^{(t)} - \nu^{(t)} \left( c - \sum_{k \in \mathcal{K}} \tilde{s}_k^{(t+1)} \right) + \rho \left( \lambda^{(t)} - \lambda^{(t-1)} \right)$$

- ▶ Better results on data-private model
- ▶ Theoretically a tighter bound for the differentially-private model

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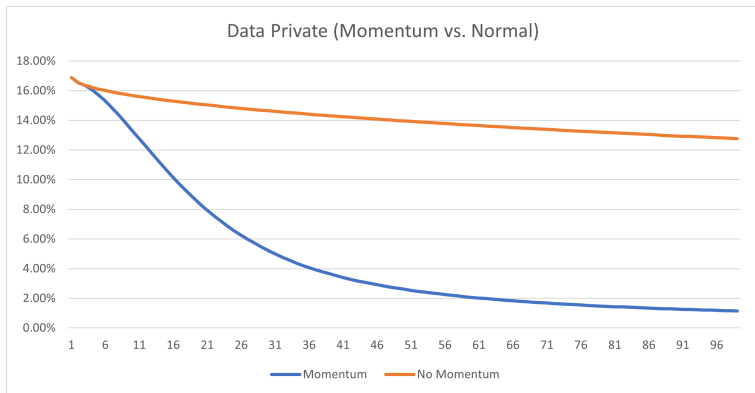
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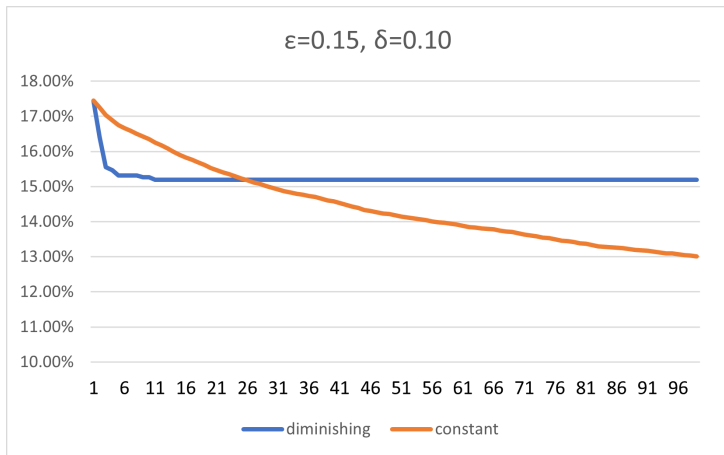
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# Progress on Data-Private Model





# Progress on Differentially Private Model



# Next Steps...

- Privacy in other mathematical models
- Feasibility of the solutions
- Real-life applications

Thank you!  
Questions & Comments: [karaca@ese.eur.nl](mailto:karaca@ese.eur.nl)