

Nash Equilibria for Finite Games in Isabelle/HOL

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Abstract

This development formalizes Nash equilibria for finite strategic-form games, following Nash's equilibrium concept [5, 4]. It gives reusable definitions of profiles, unilateral deviations, best responses, dominant strategies, and pure Nash equilibria; proves existence for finite ordinal potential games [3] and games with dominant strategies; and verifies matching pennies as a finite game with no pure Nash equilibrium. It also formalizes mixed-strategy profiles for finite games, support lemmas for equilibrium strategies, Dirac embeddings of pure profiles, and the existence of a mixed Nash equilibrium using Brouwer's fixed point theorem. Worked examples cover the Prisoner's Dilemma, a coordination game, matching pennies, and rock-paper-scissors. AI assistance was used for proof engineering. The final definitions, statements, and proofs are checked by Isabelle.

Contributions and Scope

This entry gives a reusable Isabelle/HOL formalization of pure and mixed Nash equilibria for finite strategic-form games. The pure-game locale supports a finite player set with player-indexed finite strategy sets and is used to formalize unilateral deviations, best responses, dominant strategies, and ordinal potential games. The mixed-game development proves Nash's finite-game existence theorem by defining an excess-payoff map on a compact convex product of simplices and applying Brouwer's fixed point theorem from HOL-Analysis.

The mixed-game locale is intentionally less general than the pure-game locale: players and pure strategies are represented by finite HOL types, so every player uses the same finite pure-strategy type. This choice makes mixed profiles Cartesian vectors indexed by player/strategy pairs, which gives direct access to the compactness, convexity, continuity, and fixed-point infrastructure needed for the Brouwer proof. The entry also includes support lemmas for mixed equilibria, Dirac embeddings of pure profiles, and checked

examples of the Prisoner’s Dilemma, a coordination game, matching pennies, and rock-paper-scissors.

Related Work

Le Roux, Martin-Dorel, and Smaus formalized a Nash-equilibrium existence theorem in both Coq and Isabelle for finite-outcome games derived from win/lose games [2]. Bagnall, Merten, and Stewart developed an Ss-reflect/Coq library for algorithmic game theory, including pure and mixed Nash equilibria, potential games, smooth games, approximate equilibria, and applications to routing and congestion games [1]. The present entry is narrower in mathematical scope but focuses on an AFP-style Isabelle/HOL development for finite strategic-form games, with a Brouwer-based mixed-equilibrium existence proof and small canonical examples.

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```

theory Nash-Equilibrium
  imports Main
begin

```

1 Pure Nash Equilibria

Nash's equilibrium concept says that a strategy profile is stable when no player can improve by changing only her own strategy. This entry formalizes the pure-strategy version for finite strategic-form games with a common strategy type.

The central locale below fixes a finite set of players, a finite nonempty strategy set for each player, and a payoff function. The player and strategy types are finite; this keeps the profile space finite while still allowing player-indexed strategy restrictions.

The development is intended as a reusable finite-game layer: the basic locale gives pure Nash equilibria and best responses, later locales derive existence from ordinal potentials and dominant strategies, and the companion mixed theory proves the finite mixed-equilibrium theorem using HOL-Analysis.

```

locale finite-game =
  fixes players :: 'p::finite set
    and strategies :: 'p  $\Rightarrow$  's::finite set
    and payoff :: 'p  $\Rightarrow$  ('p  $\Rightarrow$  's)  $\Rightarrow$  'u::preorder
  assumes nonempty-strategies:  $i \in \text{players} \implies \text{strategies } i \neq \{\}$ 
begin

```

```

definition profiles :: ('p  $\Rightarrow$  's) set where
  profiles = {s.  $\forall i \in \text{players}. s \ i \in \text{strategies } i$ }

```

```

definition deviation :: ('p  $\Rightarrow$  's)  $\Rightarrow$  'p  $\Rightarrow$  's  $\Rightarrow$  ('p  $\Rightarrow$  's) where
  deviation s i x = s(i := x)

```

```

definition Nash-equilibrium :: ('p  $\Rightarrow$  's)  $\Rightarrow$  bool where
  Nash-equilibrium s  $\longleftrightarrow$ 
    s  $\in$  profiles  $\wedge$ 
    ( $\forall i \in \text{players}. \forall x \in \text{strategies } i.
      \text{payoff } i (\text{deviation } s \ i \ x) \leq \text{payoff } i \ s$ )

```

```

definition best-response-to :: ('p  $\Rightarrow$  's)  $\Rightarrow$  'p  $\Rightarrow$  's  $\Rightarrow$  bool where
  best-response-to s i x  $\longleftrightarrow$ 
    i  $\in$  players  $\wedge$  x  $\in$  strategies i  $\wedge$ 
    ( $\forall y \in \text{strategies } i. \text{payoff } i (\text{deviation } s \ i \ y) \leq \text{payoff } i (\text{deviation } s \ i \ x)$ )

```

```

definition dominant-strategy :: 'p  $\Rightarrow$  's  $\Rightarrow$  bool where
  dominant-strategy i x  $\longleftrightarrow$ 
    i  $\in$  players  $\wedge$  x  $\in$  strategies i  $\wedge$ 
    ( $\forall s \in \text{profiles}. \forall y \in \text{strategies } i.
      \text{payoff } i (\text{deviation } s \ i \ x) \geq \text{payoff } i (\text{deviation } s \ i \ y)$ )

```

$\text{payoff } i (\text{deviation } s \ i \ y) \leq \text{payoff } i (\text{deviation } s \ i \ x)$

lemma *profiles-iff*:

$s \in \text{profiles} \longleftrightarrow (\forall i \in \text{players}. s \ i \in \text{strategies } i)$
by (*auto simp: profiles-def*)

lemma *profile-strategy*:

assumes $s \in \text{profiles } i \in \text{players}$
shows $s \ i \in \text{strategies } i$
using *assms* **by** (*simp add: profiles-iff*)

lemma *finite-profiles* [*simp, intro*]: *finite profiles*

by *simp*

lemma *profiles-nonempty*: $\text{profiles} \neq \{\}$

proof –

have $\forall i \in \text{players}. \exists x. x \in \text{strategies } i$
using *nonempty-strategies* **by** *auto*
then obtain *f* **where** $f: \bigwedge i. i \in \text{players} \implies f \ i \in \text{strategies } i$
by *metis*
define *g* **where** $g \ i = f \ i$ **for** *i*
have $g \in \text{profiles}$
using *f* **by** (*auto simp: profiles-iff g-def*)
then show *?thesis*
by *blast*

qed

lemma *deviation-apply* [*simp*]:

$\text{deviation } s \ i \ x \ j = (\text{if } j = i \text{ then } x \text{ else } s \ j)$
by (*simp add: deviation-def*)

lemma *deviation-self* [*simp*]: $\text{deviation } s \ i \ (s \ i) = s$

by (*simp add: deviation-def*)

lemma *deviation-in-profiles*:

assumes $s \in \text{profiles } i \in \text{players } x \in \text{strategies } i$
shows $\text{deviation } s \ i \ x \in \text{profiles}$
using *assms* **by** (*auto simp: profiles-iff*)

lemma *Nash-equilibriumI*:

assumes $s \in \text{profiles}$
and $\bigwedge i \ x. i \in \text{players} \implies x \in \text{strategies } i \implies$
 $\text{payoff } i (\text{deviation } s \ i \ x) \leq \text{payoff } i \ s$
shows *Nash-equilibrium* *s*
using *assms* **by** (*auto simp: Nash-equilibrium-def*)

lemma *Nash-equilibrium-profile*:

assumes *Nash-equilibrium* *s*
shows $s \in \text{profiles}$

```

using assms by (simp add: Nash-equilibrium-def)

lemma Nash-equilibriumD:
  assumes Nash-equilibrium s i ∈ players x ∈ strategies i
  shows payoff i (deviation s i x) ≤ payoff i s
  using assms by (simp add: Nash-equilibrium-def)

lemma Nash-equilibrium-iff-best-responses:
  assumes s ∈ profiles
  shows Nash-equilibrium s ↔ (∀ i ∈ players. best-response-to s i (s i))
  using assms by (auto simp: Nash-equilibrium-def best-response-to-def profile-strategy)

lemma dominant-strategy-profile-is-Nash:
  assumes s ∈ profiles
  and dominant: ∧ i. i ∈ players ⇒ dominant-strategy i (s i)
  shows Nash-equilibrium s
proof (rule Nash-equilibriumI)
  show s ∈ profiles
  using assms by simp
next
  fix i x
  assume ix: i ∈ players x ∈ strategies i
  have dom: dominant-strategy i (s i)
  using dominant ix by blast
  then have  $\bigwedge t y. t \in \text{profiles} \Rightarrow y \in \text{strategies } i \Rightarrow$ 
     $\text{payoff } i (\text{deviation } t \ i \ y) \leq \text{payoff } i (\text{deviation } t \ i \ (s \ i))$ 
  by (simp add: dominant-strategy-def)
  from this[OF assms(1) ix(2)] show  $\text{payoff } i (\text{deviation } s \ i \ x) \leq \text{payoff } i \ s$ 
  by simp
qed

end

```

2 Existence for Finite Potential Games

Pure Nash equilibria need not exist in arbitrary finite games. A standard positive result is that every finite game with an ordinal potential has a pure Nash equilibrium: choose a profile whose potential is maximal. The definition used here is the one needed for the argument: every strict unilateral payoff improvement strictly increases the potential. Exact and ordinal potential games in the sense of Monderer and Shapley satisfy this assumption.

```

locale finite-potential-game =
  finite-game players strategies payoff
  for players :: 'p::finite set
  and strategies :: 'p ⇒ 's::finite set
  and payoff :: 'p ⇒ ('p ⇒ 's) ⇒ 'u::linorder +
  fixes potential :: ('p ⇒ 's) ⇒ 'v::linorder
  assumes potential-increases:

```

$\llbracket s \in \text{profiles}; i \in \text{players}; x \in \text{strategies } i;$
 $\text{payoff } i \ s < \text{payoff } i \ (\text{deviation } s \ i \ x) \rrbracket$
 $\implies \text{potential } s < \text{potential } (\text{deviation } s \ i \ x)$

begin

lemma *maximal-potential-profile*:

obtains s **where**
 $s \in \text{profiles}$
 $\bigwedge t. t \in \text{profiles} \implies \text{potential } t \leq \text{potential } s$

proof –

let $?M = \text{Max} \ (\text{potential } \text{' profiles})$
have $\text{fin}: \text{finite} \ (\text{potential } \text{' profiles})$
by *simp*

have $\text{nonempty}: \text{potential } \text{' profiles} \neq \{\}$
using *profiles-nonempty* **by** *blast*

have $M\text{-in}: ?M \in \text{potential } \text{' profiles}$
by (*rule Max-in[OF fin nonempty]*)

then obtain s **where** $s\text{-prof}: s \in \text{profiles}$ **and** $s\text{-Max}: \text{potential } s = ?M$
by (*auto elim!: imageE*)

have $\text{max-s}: \text{potential } t \leq \text{potential } s$ **if** $t \in \text{profiles}$ **for** t
using $\text{Max-ge}[OF \ \text{fin}, \ \text{of potential } t] \ s\text{-Max}$ **that** **by** *auto*

show $?thesis$
using $\text{max-s } s\text{-prof}$ **that** **by** *auto*

qed

theorem *exists-Nash-equilibrium*:

$\exists s \in \text{profiles}. \text{Nash-equilibrium } s$

proof –

obtain s **where** $s: s \in \text{profiles}$
and $\text{max}: \bigwedge t. t \in \text{profiles} \implies \text{potential } t \leq \text{potential } s$
using *maximal-potential-profile* **by** *blast*

have *Nash-equilibrium* s

proof (*rule Nash-equilibriumI*)

show $s \in \text{profiles}$
by *fact*

next

fix $i \ x$

assume $ix: i \in \text{players } x \in \text{strategies } i$

show $\text{payoff } i \ (\text{deviation } s \ i \ x) \leq \text{payoff } i \ s$

proof (*rule ccontr*)

assume $\neg \text{payoff } i \ (\text{deviation } s \ i \ x) \leq \text{payoff } i \ s$

then have *improve*: $\text{payoff } i \ s < \text{payoff } i \ (\text{deviation } s \ i \ x)$
by *simp*

have $\text{dev}: \text{deviation } s \ i \ x \in \text{profiles}$
using $s \ ix$ **by** (*rule deviation-in-profiles*)

have $\text{potential } s < \text{potential } (\text{deviation } s \ i \ x)$
using *potential-increases*[*OF s ix improve*].

moreover have $\text{potential } (\text{deviation } s \ i \ x) \leq \text{potential } s$
using $\text{max}[OF \ \text{dev}]$.

```

    ultimately show False
      by simp
    qed
  qed
  with s show ?thesis
    by blast
  qed
end

```

3 Dominant Strategies as a Degenerate Existence Result

Dominant strategies give another elementary source of equilibria. The next locale packages the hypothesis that every player has a distinguished dominant strategy and derives existence by constructing the corresponding profile.

```

locale finite-dominant-strategy-game =
  finite-game players strategies payoff
  for players :: 'p::finite set
    and strategies :: 'p  $\Rightarrow$  's::finite set
    and payoff :: 'p  $\Rightarrow$  ('p  $\Rightarrow$  's)  $\Rightarrow$  'u::preorder +
  fixes dominant :: 'p  $\Rightarrow$  's
  assumes dominant:  $i \in \text{players} \implies \text{dominant-strategy } i$  (dominant i)
begin

definition dominant-profile :: 'p  $\Rightarrow$  's where
  dominant-profile i = (if i  $\in$  players then dominant i else undefined)

lemma dominant-profile-in-profiles:
  dominant-profile  $\in$  profiles
  using dominant by (auto simp: dominant-profile-def profiles-iff dominant-strategy-def)

theorem dominant-profile-is-Nash:
  Nash-equilibrium dominant-profile
  by (simp add: dominant dominant-profile-def dominant-profile-in-profiles dominant-strategy-profile-is-Nash)

end

```

4 Matching Pennies

The following two-player zero-sum game shows why an existence theorem for pure Nash equilibria needs additional hypotheses. The row player wants the two coins to match; the column player wants them to differ. After every pure profile, exactly one player can improve by switching sides.

```

datatype penny-player = Row | Column

datatype coin-side = Heads | Tails

instantiation penny-player :: finite
begin

instance
proof
  show finite (UNIV :: penny-player set)
    by (rule finite-subset[of - {Row, Column}]) (auto intro: penny-player.exhaust)
qed

end

instantiation coin-side :: finite
begin

instance
proof
  show finite (UNIV :: coin-side set)
    by (rule finite-subset[of - {Heads, Tails}]) (auto intro: coin-side.exhaust)
qed

end

definition matching-pennies-payoff :: penny-player  $\Rightarrow$  (penny-player  $\Rightarrow$  coin-side)
 $\Rightarrow$  int where
  matching-pennies-payoff p s =
    (case p of
      Row  $\Rightarrow$  if s Row = s Column then 1 else 0
    | Column  $\Rightarrow$  if s Row = s Column then 0 else 1)

interpretation matching-pennies:
  finite-game UNIV  $\lambda$ -. UNIV matching-pennies-payoff
  by standard auto

definition switch-coin :: coin-side  $\Rightarrow$  coin-side where
  switch-coin x = (case x of Heads  $\Rightarrow$  Tails | Tails  $\Rightarrow$  Heads)

lemma switch-coin-neq [simp]: switch-coin x  $\neq$  x
  by (cases x) (simp-all add: switch-coin-def)

lemma coin-side-switch:
  fixes x :: coin-side
  obtains y where y  $\neq$  x
proof
  show switch-coin x  $\neq$  x
    by simp

```

qed

lemma *matching-pennies-no-pure-Nash*:

\neg *matching-pennies.Nash-equilibrium* *s*

proof

assume *ne*: *matching-pennies.Nash-equilibrium* *s*

then have *profile*: $s \in$ *matching-pennies.profiles*

by (*rule* *matching-pennies.Nash-equilibrium-profile*)

show *False*

proof (*cases* s *Row* = s *Column*)

case *True*

obtain *y* **where** $y: y \neq s$ *Row*

using *coin-side-switch* **by** *blast*

have *matching-pennies-payoff* *Column* (*matching-pennies.deviation* s *Column* y) = 1

using *True* y **by** (*simp* *add*: *matching-pennies-payoff-def*)

moreover have *matching-pennies-payoff* *Column* s = 0

using *True* **by** (*simp* *add*: *matching-pennies-payoff-def*)

ultimately have \neg *matching-pennies-payoff* *Column* (*matching-pennies.deviation* s *Column* y)

\leq *matching-pennies-payoff* *Column* s

by *simp*

moreover have $y \in$ (*UNIV* :: *coin-side* *set*)

by *simp*

ultimately show *False*

using *matching-pennies.Nash-equilibriumD*[*OF* *ne*, *of* *Column* y] **by** *simp*

next

case *False*

obtain *y* **where** $y: y = s$ *Column*

by *simp*

have *matching-pennies-payoff* *Row* (*matching-pennies.deviation* s *Row* y) = 1

using y **by** (*simp* *add*: *matching-pennies-payoff-def*)

moreover have *matching-pennies-payoff* *Row* s = 0

using *False* **by** (*simp* *add*: *matching-pennies-payoff-def*)

ultimately have \neg *matching-pennies-payoff* *Row* (*matching-pennies.deviation* s *Row* y)

\leq *matching-pennies-payoff* *Row* s

by *simp*

moreover have $y \in$ (*UNIV* :: *coin-side* *set*)

by *simp*

ultimately show *False*

using *matching-pennies.Nash-equilibriumD*[*OF* *ne*, *of* *Row* y] **by** *simp*

qed

qed

end

theory *Mixed-Nash-Equilibrium*

imports

Nash-Equilibrium

begin

5 Mixed Nash Equilibria

This theory develops the mixed-strategy version of Nash equilibrium for finite games whose players and pure strategies are represented by finite HOL types. A mixed profile is a Cartesian vector indexed by player/strategy pairs.

This locale is deliberately more restrictive than the pure-game locale: every player has the same finite pure-strategy type. In return, the profile space is a finite Cartesian product of real coordinates, so compactness, convexity, continuity, and Brouwer’s fixed point theorem can be applied directly.

type-synonym $(\prime p, \prime s)$ *mixed-profile* = $\text{real} \wedge (\prime p \times \prime s)$

locale *finite-type-game* =

fixes *payoff* :: $\prime p :: \text{finite} \Rightarrow (\prime p \Rightarrow \prime s :: \text{finite}) \Rightarrow \text{real}$

begin

definition *prob* :: $(\prime p, \prime s)$ *mixed-profile* $\Rightarrow \prime p \Rightarrow \prime s \Rightarrow \text{real}$ **where**
prob m i $x = m$ \$ (i, x)

definition *mixed-profiles* :: $(\prime p, \prime s)$ *mixed-profile set* **where**
mixed-profiles =
 $\{m \in \text{cbox } 0 \ 1. \forall i. (\sum_{x \in \text{UNIV}} \text{prob } m \ i \ x) = 1\}$

definition *uniform-mixed-profile* :: $(\prime p, \prime s)$ *mixed-profile* **where**
uniform-mixed-profile = $(\chi \ i \ x. 1 / \text{real } \text{CARD}(\prime s))$

definition *opponent-weight* :: $\prime p \Rightarrow (\prime p, \prime s)$ *mixed-profile* $\Rightarrow (\prime p \Rightarrow \prime s) \Rightarrow \text{real}$ **where**
opponent-weight i m $s = (\prod_{j \in \text{UNIV} - \{i\}} \text{prob } m \ j \ (s \ j))$

definition *pure-deviation-payoff* ::
 $\prime p \Rightarrow \prime s \Rightarrow (\prime p, \prime s)$ *mixed-profile* $\Rightarrow \text{real}$ **where**
pure-deviation-payoff i x $m =$
 $(\sum_{s \in \{s. s \ i = x\}} \text{opponent-weight } i \ m \ s * \text{payoff } i \ s)$

definition *mixed-payoff* :: $\prime p \Rightarrow (\prime p, \prime s)$ *mixed-profile* $\Rightarrow \text{real}$ **where**
mixed-payoff i $m =$
 $(\sum_{x \in \text{UNIV}} \text{prob } m \ i \ x * \text{pure-deviation-payoff } i \ x \ m)$

definition *mixed-Nash-equilibrium* :: $(\prime p, \prime s)$ *mixed-profile* $\Rightarrow \text{bool}$ **where**
mixed-Nash-equilibrium $m \longleftrightarrow$
 $m \in \text{mixed-profiles} \wedge$
 $(\forall i \ x. \text{pure-deviation-payoff } i \ x \ m \leq \text{mixed-payoff } i \ m)$

definition *excess* :: $\prime p \Rightarrow \prime s \Rightarrow (\prime p, \prime s)$ *mixed-profile* $\Rightarrow \text{real}$ **where**

$excess\ i\ x\ m = \max\ 0\ (pure\ deviation\ payoff\ i\ x\ m - mixed\ payoff\ i\ m)$

definition $excess\ sum :: 'p \Rightarrow ('p, 's)\ mixed\ profile \Rightarrow real$ **where**
 $excess\ sum\ i\ m = (\sum_{x \in UNIV}. excess\ i\ x\ m)$

definition $nash\ map :: ('p, 's)\ mixed\ profile \Rightarrow ('p, 's)\ mixed\ profile$ **where**
 $nash\ map\ m = (\chi\ ix. (prob\ m\ (fst\ ix)\ (snd\ ix) + excess\ (fst\ ix)\ (snd\ ix)\ m) /$
 $(1 + excess\ sum\ (fst\ ix)\ m))$

lemma $prob\ nash\ map$:
 $prob\ (nash\ map\ m)\ i\ x = (prob\ m\ i\ x + excess\ i\ x\ m) / (1 + excess\ sum\ i\ m)$
by ($simp\ add$: $prob\ def\ nash\ map\ def$)

lemma $mixed\ profiles\ prob\ nonneg$:
assumes $m \in mixed\ profiles$
shows $0 \leq prob\ m\ i\ x$
using $assms$ **by** ($auto\ simp$: $mixed\ profiles\ def\ prob\ def\ mem\ box\ cart$)

lemma $mixed\ profiles\ prob\ le\ one$:
assumes $m \in mixed\ profiles$
shows $prob\ m\ i\ x \leq 1$
using $assms$ **by** ($auto\ simp$: $mixed\ profiles\ def\ prob\ def\ mem\ box\ cart$)

lemma $mixed\ profiles\ sum\ prob$:
assumes $m \in mixed\ profiles$
shows $(\sum_{x \in UNIV}. prob\ m\ i\ x) = 1$
using $assms$ **by** ($auto\ simp$: $mixed\ profiles\ def$)

lemma $prob\ uniform\ mixed\ profile$ [$simp$]:
 $prob\ uniform\ mixed\ profile\ i\ x = 1 / real\ CARD('s)$
by ($simp\ add$: $prob\ def\ uniform\ mixed\ profile\ def$)

lemma $uniform\ mixed\ profile\ in\ mixed\ profiles$ [$simp$]:
 $uniform\ mixed\ profile \in mixed\ profiles$
proof –
have $card\ pos$: $0 < real\ CARD('s)$
by $simp$
have $prob\ le\ one$: $1 / real\ CARD('s) \leq 1$
using $card\ pos$ **by** ($simp\ add$: $divide_simps$)
have $sum\ one$: $(\sum_{x \in UNIV}. prob\ uniform\ mixed\ profile\ i\ x) = 1$ **for** i
using $card\ pos$ **by** $simp$
show $?thesis$
using $card\ pos\ prob\ le\ one\ sum\ one$
by ($auto\ simp$: $mixed\ profiles\ def\ prob\ def\ uniform\ mixed\ profile\ def\ mem\ box\ cart$)
qed

lemma $excess\ nonneg$ [$simp$]: $0 \leq excess\ i\ x\ m$
by ($simp\ add$: $excess\ def$)

lemma *excess-sum-nonneg* [*simp*]: $0 \leq \text{excess-sum } i \ m$
by (*simp add: excess-sum-def sum-nonneg*)

lemma *denom-pos* [*simp*]: $0 < 1 + \text{excess-sum } i \ m$
using *excess-sum-nonneg*[*of i m*] **by** *linarith*

lemma *nash-map-in-mixed-profiles*:
assumes *m*: $m \in \text{mixed-profiles}$
shows *nash-map* $m \in \text{mixed-profiles}$

proof –

have *nonneg*: $0 \leq \text{prob } (\text{nash-map } m) \ i \ x$ **for** $i \ x$
using *mixed-profiles-prob-nonneg*[*OF m, of i x*]
by (*simp add: prob-nash-map divide-nonneg-pos*)

have *le-one*: $\text{prob } (\text{nash-map } m) \ i \ x \leq 1$ **for** $i \ x$

proof –

have *ex-le*: $\text{excess } i \ x \ m \leq \text{excess-sum } i \ m$

unfolding *excess-sum-def* **by** (*intro member-le-sum*) *auto*

have $\text{prob } m \ i \ x + \text{excess } i \ x \ m \leq 1 + \text{excess-sum } i \ m$

using *mixed-profiles-prob-le-one*[*OF m, of i x*] *ex-le* **by** *linarith*

then show *?thesis*

by (*simp add: prob-nash-map field-simps*)

qed

have *sum-one*: $(\sum_{x \in \text{UNIV}} \text{prob } (\text{nash-map } m) \ i \ x) = 1$ **for** i

proof –

have $(\sum_{x \in \text{UNIV}} \text{prob } (\text{nash-map } m) \ i \ x) =$

$(\sum_{x \in \text{UNIV}} (\text{prob } m \ i \ x + \text{excess } i \ x \ m) / (1 + \text{excess-sum } i \ m))$

by (*simp add: prob-nash-map*)

also have $\dots =$

$((\sum_{x \in \text{UNIV}} \text{prob } m \ i \ x) + \text{excess-sum } i \ m) / (1 + \text{excess-sum } i \ m)$

by (*simp add: sum-divide-distrib[symmetric] sum.distrib excess-sum-def*)

also have $\dots = 1$

by (*simp add: add-nonneg-eq-0-iff m mixed-profiles-sum-prob*)

finally show *?thesis* .

qed

show *?thesis*

using *nonneg le-one sum-one*

by (*auto simp: mixed-profiles-def prob-def mem-box-cart*)

qed

lemma *continuous-prob*:

continuous-on $S \ (\lambda m. \text{prob } m \ i \ x)$

by (*simp add: prob-def*) (*intro continuous-intros*)

lemma *continuous-opponent-weight*:

continuous-on $S \ (\lambda m. \text{opponent-weight } i \ m \ s)$

unfolding *opponent-weight-def*

by (*intro continuous-intros continuous-prob*)

lemma *continuous-pure-deviation-payoff*:

continuous-on S ($\lambda m. \text{pure-deviation-payoff } i \ x \ m$)
unfolding *pure-deviation-payoff-def*
by (*intro continuous-intros continuous-opponent-weight*)

lemma *continuous-mixed-payoff*:
continuous-on S ($\lambda m. \text{mixed-payoff } i \ m$)
unfolding *mixed-payoff-def*
by (*intro continuous-intros continuous-prob continuous-pure-deviation-payoff*)

lemma *continuous-excess*:
continuous-on S ($\lambda m. \text{excess } i \ x \ m$)
unfolding *excess-def*
by (*intro continuous-intros continuous-pure-deviation-payoff continuous-mixed-payoff*)

lemma *continuous-excess-sum*:
continuous-on S ($\lambda m. \text{excess-sum } i \ m$)
unfolding *excess-sum-def*
by (*intro continuous-intros continuous-excess*)

lemma *continuous-nash-map*:
continuous-on mixed-profiles nash-map
proof –
have *nz*: $m \in \text{mixed-profiles} \implies 1 + \text{excess-sum } (\text{fst } ix) \ m \neq 0$ **for** $ix \ m$
using *denom-pos[of fst ix m]* **by** *linarith*
show *?thesis*
unfolding *nash-map-def*
apply (*intro continuous-intros continuous-prob continuous-excess continuous-excess-sum*)
using *nz* **by** *blast*
qed

lemma *mixed-profiles-closed*: *closed mixed-profiles*
proof –
have *closed-constraint*: $\text{closed } \{m. (\sum x \in \text{UNIV}. \text{prob } m \ i \ x) = 1\}$ **for** i
by (*intro closed-Collect-eq continuous-intros continuous-prob*)
have *eq*: $\text{mixed-profiles} =$
 $\text{cbox } 0 \ 1 \cap (\bigcap i \in (\text{UNIV} :: 'p \ \text{set}). \{m. (\sum x \in \text{UNIV}. \text{prob } m \ i \ x) = 1\})$
by (*auto simp: mixed-profiles-def*)
show *?thesis*
unfolding *eq* **using** *closed-constraint* **by** (*auto intro!: closed-Int closed-INT*
closed-cbox)
qed

lemma *mixed-profiles-compact*: *compact mixed-profiles*
proof –
have $\text{mixed-profiles} \subseteq \text{cbox } 0 \ 1$
by (*auto simp: mixed-profiles-def*)
then show *?thesis*
using *compact-cbox mixed-profiles-closed compact-eq-bounded-closed bounded-cbox*
bounded-subset

by *blast*
 qed

lemma *mixed-profiles-convex*: *convex mixed-profiles*

proof (*rule convexI*)

fix $m\ n :: ('p, 's)\ \text{mixed-profile}$

fix $u\ v :: \text{real}$

assume $mn: m \in \text{mixed-profiles}\ n \in \text{mixed-profiles}$

and $uv: 0 \leq u\ 0 \leq v\ u + v = 1$

have *in-box*: $u *_R m + v *_R n \in \text{cbox } 0\ 1$

proof (*auto simp: mem-box-cart*)

fix $a\ b$

have $0 \leq m\ \$\ (a, b)\ 0 \leq n\ \$\ (a, b)$

using mn by (*auto simp: mixed-profiles-def mem-box-cart*)

then show $0 \leq u * m\ \$\ (a, b) + v * n\ \$\ (a, b)$

using uv by (*intro add-nonneg-nonneg mult-nonneg-nonneg*) *auto*

next

fix $a\ b$

have $m\text{-le}: m\ \$\ (a, b) \leq 1$ and $n\text{-le}: n\ \$\ (a, b) \leq 1$

using mn by (*auto simp: mixed-profiles-def mem-box-cart*)

have $u * m\ \$\ (a, b) \leq u$

using $uv\ m\text{-le}$ by (*metis mult.right-neutral mult-left-mono*)

moreover have $v * n\ \$\ (a, b) \leq v$

using $uv\ n\text{-le}$ by (*metis mult.right-neutral mult-left-mono*)

ultimately show $u * m\ \$\ (a, b) + v * n\ \$\ (a, b) \leq 1$

using uv by *linarith*

qed

have *sum-one*: $(\sum x \in UNIV. \text{prob } (u *_R m + v *_R n)\ i\ x) = 1$ for i

proof –

have $(\sum x \in UNIV. \text{prob } (u *_R m + v *_R n)\ i\ x) =$

$u * (\sum x \in UNIV. \text{prob } m\ i\ x) + v * (\sum x \in UNIV. \text{prob } n\ i\ x)$

by (*simp add: prob-def sum.distrib sum-distrib-left*)

also have $\dots = 1$

by (*simp add: mixed-profiles-sum-prob mn uv*)

finally show *?thesis* .

qed

show $u *_R m + v *_R n \in \text{mixed-profiles}$

using *in-box sum-one* by (*auto simp: mixed-profiles-def*)

qed

lemma *mixed-profiles-nonempty*: $\text{mixed-profiles} \neq \{\}$

using *uniform-mixed-profile-in-mixed-profiles* by *blast*

lemma *mixed-Nash-equilibrium-profile*:

assumes *mixed-Nash-equilibrium* m

shows $m \in \text{mixed-profiles}$

using *assms* by (*simp add: mixed-Nash-equilibrium-def*)

lemma *mixed-Nash-equilibriumD*:

assumes *mixed-Nash-equilibrium* *m*
shows *pure-deviation-payoff* *i x m* \leq *mixed-payoff* *i m*
using *assms* **by** (*simp* *add: mixed-Nash-equilibrium-def*)

lemma *mixed-Nash-support-payoff-eq*:

assumes *ne: mixed-Nash-equilibrium* *m* **and** *px: prob* *m i x* $>$ 0
shows *pure-deviation-payoff* *i x m* $=$ *mixed-payoff* *i m*

proof –

have *m: m* \in *mixed-profiles*

using *ne* **by** (*rule mixed-Nash-equilibrium-profile*)

have *gap-nonneg*:

$0 \leq$ *prob* *m i y* * (*mixed-payoff* *i m* – *pure-deviation-payoff* *i y m*) **for** *y*

using *mixed-profiles-prob-nonneg*[*OF m, of i y*] *mixed-Nash-equilibriumD*[*OF ne, of i y*]

by (*intro mult-nonneg-nonneg*) *auto*

have ($\sum_{y \in UNIV.} \text{prob } m \text{ } i \text{ } y * (\text{mixed-payoff } i \text{ } m - \text{pure-deviation-payoff } i \text{ } y \text{ } m)$) $=$

$(\sum_{y \in UNIV.} \text{prob } m \text{ } i \text{ } y * \text{mixed-payoff } i \text{ } m) -$

$(\sum_{y \in UNIV.} \text{prob } m \text{ } i \text{ } y * \text{pure-deviation-payoff } i \text{ } y \text{ } m)$

by (*simp* *add: algebra-simps sum-subtractf*)

also **have** ... $=$

$(\sum_{y \in UNIV.} \text{prob } m \text{ } i \text{ } y) * \text{mixed-payoff } i \text{ } m - \text{mixed-payoff } i \text{ } m$

unfolding *mixed-payoff-def* **by** (*simp* *add: sum-distrib-right*)

also **have** ... $=$

$\text{mixed-payoff } i \text{ } m * (\sum_{y \in UNIV.} \text{prob } m \text{ } i \text{ } y) - \text{mixed-payoff } i \text{ } m$

by (*simp* *add: mult.commute*)

also **have** ... $= 0$

using *mixed-profiles-sum-prob*[*OF m, of i*] **by** *simp*

finally **have** *gaps-zero*:

$\bigwedge y. y \in UNIV \implies$

$\text{prob } m \text{ } i \text{ } y * (\text{mixed-payoff } i \text{ } m - \text{pure-deviation-payoff } i \text{ } y \text{ } m) = 0$

using *gap-nonneg* **by** (*simp* *add: sum-nonneg-eq-0-iff*)

have *mixed-payoff* *i m* – *pure-deviation-payoff* *i x m* $= 0$

using *gaps-zero*[*of x*] *px* **by** *simp*

then **show** *?thesis*

by *simp*

qed

lemma *mixed-Nash-zero-probability-if-less*:

assumes *ne: mixed-Nash-equilibrium* *m*

and *less: pure-deviation-payoff* *i x m* $<$ *mixed-payoff* *i m*

shows *prob* *m i x* $= 0$

proof (*rule ccontr*)

assume *prob* *m i x* $\neq 0$

moreover **have** $0 \leq$ *prob* *m i x*

using *mixed-Nash-equilibrium-profile*[*OF ne*] **by** (*rule mixed-profiles-prob-nonneg*)

ultimately **have** *pure-deviation-payoff* *i x m* $=$ *mixed-payoff* *i m*

using *mixed-Nash-support-payoff-eq*[*OF ne*] **by** *simp*

then **show** *False*

using *less* by *simp*
qed

definition *dirac-mixed-profile* :: ('p ⇒ 's) ⇒ ('p, 's) *mixed-profile* **where**
dirac-mixed-profile s = (χ ix. if snd ix = s (fst ix) then 1 else 0)

lemma *prob-dirac-mixed-profile* [*simp*]:
prob (*dirac-mixed-profile* s) i x = (if x = s i then 1 else 0)
by (*simp* add: *prob-def* *dirac-mixed-profile-def*)

lemma *dirac-mixed-profile-in-mixed-profiles* [*simp*]:
dirac-mixed-profile s ∈ *mixed-profiles*
by (*auto simp: mixed-profiles-def* *prob-def* *dirac-mixed-profile-def* *mem-box-cart*)

lemma *opponent-weight-dirac-mixed-profile*:
opponent-weight i (*dirac-mixed-profile* s) t =
(if ∀ j. j ≠ i → t j = s j then 1 else 0)

proof (*cases* ∀ j. j ≠ i → t j = s j)

case *True*

then show *?thesis*

by (*auto simp: opponent-weight-def*)

next

case *False*

then obtain j where j: j ≠ i t j ≠ s j

by *blast*

have *j-in*: j ∈ UNIV - {i}

using j by *simp*

have *j-zero*: *prob* (*dirac-mixed-profile* s) j (t j) = 0

using j by *simp*

have *zero-ex*: ∃ k ∈ UNIV - {i}. *prob* (*dirac-mixed-profile* s) k (t k) = 0

using *j-in* *j-zero* by *blast*

have *fin*: *finite* (UNIV - {i})

by *simp*

have (∏ j ∈ UNIV - {i}. *prob* (*dirac-mixed-profile* s) j (t j)) = 0

by (*rule* *prod-zero*[*OF* *fin* *zero-ex*])

then show *?thesis*

using *False* by (*simp* add: *opponent-weight-def*)

qed

lemma *pure-deviation-payoff-dirac-mixed-profile*:

pure-deviation-payoff i x (*dirac-mixed-profile* s) = *payoff* i (s(i := x))

proof –

have *term-eq*:

∧ t. t ∈ {t. t i = x} ⇒

opponent-weight i (*dirac-mixed-profile* s) t * *payoff* i t =

(if t = s(i := x) then *payoff* i (s(i := x)) else 0)

proof –

fix t

assume *t-in*: t ∈ {t. t i = x}

show *opponent-weight* i (*dirac-mixed-profile* s) $t * \text{payoff } i \ t =$
 (if $t = s(i := x)$ then *payoff* i ($s(i := x)$) else 0)
proof (*cases* $\forall j. j \neq i \longrightarrow t \ j = s \ j$)
 case *True*
 then have $t = s(i := x)$
 using *t-in* **by** (*auto simp: fun-eq-iff*)
 then show *?thesis*
 using *True* **by** (*simp add: opponent-weight-dirac-mixed-profile*)
next
 case *False*
 then have $t \neq s(i := x)$
 by (*auto simp: fun-eq-iff*)
 moreover have *opponent-weight* i (*dirac-mixed-profile* s) $t = 0$
 using *False* **by** (*simp add: opponent-weight-dirac-mixed-profile*)
 then show *?thesis*
 using *calculation* **by** *simp*
qed
qed
have *pure-deviation-payoff* i x (*dirac-mixed-profile* s) =
 ($\sum t \in \{t. t \ i = x\}. \text{if } t = s(i := x) \text{ then } \text{payoff } i \ (s(i := x)) \text{ else } 0$)
unfolding *pure-deviation-payoff-def*
by (*intro sum.cong*) (*auto simp: term-eq*)
also have $\dots = \text{payoff } i \ (s(i := x))$
by *simp*
finally show *?thesis* .
qed

lemma *mixed-payoff-dirac-mixed-profile*:
mixed-payoff i (*dirac-mixed-profile* s) = *payoff* i s
proof –
have *mixed-payoff* i (*dirac-mixed-profile* s) =
 ($\sum x \in \text{UNIV}. \text{if } x = s \ i \text{ then } \text{payoff } i \ (s(i := x)) \text{ else } 0$)
unfolding *mixed-payoff-def*
by (*intro sum.cong*) (*simp-all add: pure-deviation-payoff-dirac-mixed-profile*)
also have $\dots = \text{payoff } i \ s$
by *simp*
finally show *?thesis* .
qed

lemma *dirac-mixed-Nash-equilibrium*:
assumes $\bigwedge i \ x. \text{payoff } i \ (s(i := x)) \leq \text{payoff } i \ s$
shows *mixed-Nash-equilibrium* (*dirac-mixed-profile* s)
using *assms*
by (*auto simp: mixed-Nash-equilibrium-def*)
pure-deviation-payoff-dirac-mixed-profile mixed-payoff-dirac-mixed-profile

lemma *fixed-point-imp-excess-zero*:
assumes $m: m \in \text{mixed-profiles}$ **and** $fp: \text{nash-map } m = m$
shows *excess* i x $m = 0$

```

proof –
  let ?G = excess-sum i m
  have ex-eq: excess i y m = prob m i y * ?G for y
  proof –
    have eq: prob m i y = (prob m i y + excess i y m) / (1 + ?G)
      using arg-cong[OF fp, of λm. prob m i y] by (simp add: prob-nash-map)
    then have mult-eq: prob m i y * (1 + ?G) = prob m i y + excess i y m
      using denom-pos[of i m] by (simp add: field-simps)
    then show excess i y m = prob m i y * ?G
      by (simp add: algebra-simps)
  qed
show ?thesis
proof (cases ?G = 0)
  case True
    then show ?thesis
      using ex-eq[of x] by simp
  next
    case False
      then have G-pos: ?G > 0
        using excess-sum-nonneg[of i m] by linarith
      have pos-imp:
        pure-deviation-payoff i x m = mixed-payoff i m + prob m i x * ?G
        if prob m i x > 0 for x
      proof –
        have ex-pos: excess i x m > 0
          using that G-pos ex-eq[of x] by simp
        then have pure-deviation-payoff i x m – mixed-payoff i m = excess i x m
          by (simp add: excess-def)
        then show ?thesis
          using ex-eq[of x] by simp
      qed
      have payoff-eq:
        prob m i y * pure-deviation-payoff i y m =
        prob m i y * mixed-payoff i m + ?G * (prob m i y)2 for y
      proof (cases prob m i y = 0)
      case True
        then show ?thesis
          by simp
      next
        case False
          have 0 ≤ prob m i y
            by (rule mixed-profiles-prob-nonneg[OF m])
          with False have prob m i y > 0
            by simp
          then show ?thesis
            using pos-imp[of y] by (simp add: algebra-simps power2-eq-square)
      qed
      have payoff-average:
        mixed-payoff i m =

```

$mixed\text{-}payoff\ i\ m * (\sum_{y \in UNIV}. prob\ m\ i\ y) +$
 $?G * (\sum_{y \in UNIV}. (prob\ m\ i\ y)^2)$

proof –

have $mixed\text{-}payoff\ i\ m =$
 $(\sum_{y \in UNIV}. prob\ m\ i\ y * pure\text{-}deviation\text{-}payoff\ i\ y\ m)$
by (*simp add: mixed-payoff-def*)

also have $\dots =$
 $(\sum_{y \in UNIV}. prob\ m\ i\ y * mixed\text{-}payoff\ i\ m + ?G * (prob\ m\ i\ y)^2)$
by (*intro sum.cong*) (*simp-all add: payoff-eq*)

also have $\dots =$
 $(\sum_{y \in UNIV}. prob\ m\ i\ y * mixed\text{-}payoff\ i\ m) +$
 $(\sum_{y \in UNIV}. ?G * (prob\ m\ i\ y)^2)$
by (*simp add: sum.distrib*)

also have $\dots =$
 $(\sum_{y \in UNIV}. prob\ m\ i\ y) * mixed\text{-}payoff\ i\ m +$
 $?G * (\sum_{y \in UNIV}. (prob\ m\ i\ y)^2)$
by (*simp add: sum-distrib-left sum-distrib-right*)

also have $\dots =$
 $mixed\text{-}payoff\ i\ m * (\sum_{y \in UNIV}. prob\ m\ i\ y) +$
 $?G * (\sum_{y \in UNIV}. (prob\ m\ i\ y)^2)$
by (*simp add: mult.commute*)

finally show *?thesis* .

qed

have $mixed\text{-}payoff\ i\ m =$
 $mixed\text{-}payoff\ i\ m + ?G * (\sum_{y \in UNIV}. (prob\ m\ i\ y)^2)$
using *payoff-average mixed-profiles-sum-prob[OF m, of i]* **by** *simp*

then have *G-squares-zero: ?G * (\sum_{y \in UNIV}. (prob\ m\ i\ y)^2) = 0*
by *simp*

have *sq-zero: (\sum_{y \in UNIV}. (prob\ m\ i\ y)^2) = 0*
using *G-pos G-squares-zero* **by** *simp*

have $\exists x. prob\ m\ i\ x > 0$

proof (*rule ccontr*)

assume *no-pos: $\neg (\exists x. prob\ m\ i\ x > 0)$*

have *zero: prob\ m\ i\ x = 0 for x*
by (*smt (verit) m mixed-profiles-prob-nonneg no-pos*)

have $(\sum_{x \in UNIV}. prob\ m\ i\ x) = 0$
by (*simp add: zero*)

then show *False*
using *mixed-profiles-sum-prob[OF m, of i]* **by** *simp*

qed

then obtain *y* **where** $prob\ m\ i\ y > 0$
by *blast*

have $0 < (prob\ m\ i\ y)^2$
using *y* **by** *simp*

moreover have $(prob\ m\ i\ y)^2 \leq (\sum_{x \in UNIV}. (prob\ m\ i\ x)^2)$
by (*intro member-le-sum*) *auto*

ultimately show *?thesis*
using *sq-zero* **by** *simp*

```

qed
qed

theorem exists-mixed-Nash-equilibrium:
   $\exists m \in \text{mixed-profiles}. \text{mixed-Nash-equilibrium } m$ 
proof -
  obtain  $m$  where  $m: m \in \text{mixed-profiles}$  and  $fp: \text{nash-map } m = m$ 
  proof (rule brouwer[
    OF mixed-profiles-compact mixed-profiles-convex mixed-profiles-nonempty con-
    tinuous-nash-map])
    show  $\text{nash-map} \in \text{mixed-profiles} \rightarrow \text{mixed-profiles}$ 
      using nash-map-in-mixed-profiles by auto
    qed
    have no-excess:  $\text{excess } i \ x \ m = 0$  for  $i \ x$ 
      by (rule fixed-point-imp-excess-zero[OF  $m \ fp$ ])
    have deviation-le:  $\text{pure-deviation-payoff } i \ x \ m \leq \text{mixed-payoff } i \ m$  for  $i \ x$ 
    proof -
      have  $\text{pure-deviation-payoff } i \ x \ m - \text{mixed-payoff } i \ m$ 
         $\leq \max 0 (\text{pure-deviation-payoff } i \ x \ m - \text{mixed-payoff } i \ m)$ 
      by simp
      also have  $\dots = 0$ 
        using no-excess[of  $i \ x$ ] by (simp add: excess-def)
      finally show ?thesis
        by simp
    qed
    have mixed-Nash-equilibrium  $m$ 
      using  $m$  deviation-le by (auto simp: mixed-Nash-equilibrium-def)
    then show ?thesis
      using  $m$  by blast
  qed
qed

end

end
theory Nash-Equilibrium-Examples
  imports Mixed-Nash-Equilibrium
begin

lemma UNIV-penny-player:  $(UNIV :: \text{penny-player set}) = \{\text{Row}, \text{Column}\}$ 
  by (auto intro: penny-player.exhaust)

lemma UNIV-coin-side [simp]:  $(UNIV :: \text{coin-side set}) = \{\text{Heads}, \text{Tails}\}$ 
  by (auto intro: coin-side.exhaust)

lemma players-except-Row [simp]:  $(UNIV :: \text{penny-player set}) - \{\text{Row}\} = \{\text{Column}\}$ 
  by (auto simp: UNIV-penny-player)

lemma players-except-Column [simp]:  $(UNIV :: \text{penny-player set}) - \{\text{Column}\} = \{\text{Row}\}$ 

```

by (*auto simp: UNIV-penny-player*)

lemma *player-insert-except-Row* [*simp*]: $\{Row, Column\} - \{Row\} = \{Column\}$
by *auto*

lemma *player-insert-except-Column* [*simp*]: $\{Row, Column\} - \{Column\} = \{Row\}$
by *auto*

6 Prisoner's Dilemma

The Prisoner's Dilemma gives a small example using the dominant-strategy existence result. Defection is dominant for both players, hence the all-defect profile is a pure Nash equilibrium.

datatype *prisoner* = *Prisoner1* | *Prisoner2*

datatype *prisoner-move* = *Cooperate* | *Defect*

instantiation *prisoner* :: *finite*
begin

instance

proof

show *finite* (*UNIV* :: *prisoner* set)

by (*rule finite-subset*[*of* - $\{Prisoner1, Prisoner2\}$]) (*auto intro: prisoner.exhaust*)

qed

end

instantiation *prisoner-move* :: *finite*

begin

instance

proof

show *finite* (*UNIV* :: *prisoner-move* set)

by (*rule finite-subset*[*of* - $\{Cooperate, Defect\}$]) (*auto intro: prisoner-move.exhaust*)

qed

end

fun *other-prisoner* :: *prisoner* \Rightarrow *prisoner* **where**

other-prisoner *Prisoner1* = *Prisoner2*

| *other-prisoner* *Prisoner2* = *Prisoner1*

definition *prisoners-dilemma-payoff* :: *prisoner* \Rightarrow (*prisoner* \Rightarrow *prisoner-move*)
 \Rightarrow *int* **where**

prisoners-dilemma-payoff *p* *s* =

(*case* (*s* *p*, *s* (*other-prisoner* *p*)) *of*

(*Cooperate*, *Cooperate*) \Rightarrow 3

```

| (Defect, Cooperate) ⇒ 5
| (Cooperate, Defect) ⇒ 0
| (Defect, Defect) ⇒ 1)

```

interpretation *prisoners-dilemma*:

```

finite-game UNIV λ-. UNIV prisoners-dilemma-payoff
by standard auto

```

interpretation *prisoners-dilemma-dominant*:

```

finite-dominant-strategy-game UNIV λ-. UNIV prisoners-dilemma-payoff λ-. De-
fect

```

proof

```

fix i :: prisoner
show prisoners-dilemma.dominant-strategy i ((λ-. Defect) i)
by (cases i)
(auto simp: prisoners-dilemma.dominant-strategy-def prisoners-dilemma-payoff-def
split: prisoner-move.splits)

```

qed

lemma *prisoners-dilemma-defect-defect-Nash*:

```

prisoners-dilemma.Nash-equilibrium (λ-. Defect)

```

proof –

```

have prisoners-dilemma-dominant.dominant-profile = (λ-. Defect)
by (simp add: fun-eq-iff prisoners-dilemma-dominant.dominant-profile-def)
then show ?thesis
using prisoners-dilemma-dominant.dominant-profile-is-Nash by simp

```

qed

7 Coordination Game

A two-player coordination game has two pure equilibria. Both players receive payoff one when their choices agree and zero otherwise.

```

datatype coordination-choice = Choice-A | Choice-B

```

instantiation *coordination-choice* :: *finite*

begin

instance

proof

```

show finite (UNIV :: coordination-choice set)
by (rule finite-subset[of - {Choice-A, Choice-B}])
(auto intro: coordination-choice.exhaust)

```

qed

end

definition *coordination-payoff* ::

```

penny-player ⇒ (penny-player ⇒ coordination-choice) ⇒ int where

```

coordination-payoff $p\ s = (\text{if } s \text{ Row} = s \text{ Column then } 1 \text{ else } 0)$

interpretation *coordination*:

finite-game UNIV λ -. *UNIV coordination-payoff*
by *standard auto*

lemma *coordination-A-A-Nash*:

coordination.Nash-equilibrium (λ -. *Choice-A*)

proof (*rule coordination.Nash-equilibriumI*)

show (λ -. *Choice-A*) \in *coordination.profiles*

by (*simp add: coordination.profiles-def*)

next

fix $i :: \text{penny-player}$

fix $x :: \text{coordination-choice}$

show *coordination-payoff* i (*coordination.deviation* (λ -. *Choice-A*) $i\ x$)

\leq *coordination-payoff* i (λ -. *Choice-A*)

by (*cases i; cases x*) (*simp-all add: coordination-payoff-def coordination.deviation-def*)

qed

lemma *coordination-B-B-Nash*:

coordination.Nash-equilibrium (λ -. *Choice-B*)

proof (*rule coordination.Nash-equilibriumI*)

show (λ -. *Choice-B*) \in *coordination.profiles*

by (*simp add: coordination.profiles-def*)

next

fix $i :: \text{penny-player}$

fix $x :: \text{coordination-choice}$

show *coordination-payoff* i (*coordination.deviation* (λ -. *Choice-B*) $i\ x$)

\leq *coordination-payoff* i (λ -. *Choice-B*)

by (*cases i; cases x*) (*simp-all add: coordination-payoff-def coordination.deviation-def*)

qed

8 Two-Player Profile Sums

definition *two-player-profile* $:: 'a \Rightarrow 'a \Rightarrow \text{penny-player} \Rightarrow 'a$ **where**

two-player-profile $r\ c\ p = (\text{case } p \text{ of Row} \Rightarrow r \mid \text{Column} \Rightarrow c)$

lemma *two-player-profile-simps* [*simp*]:

two-player-profile $r\ c$ *Row* = r

two-player-profile $r\ c$ *Column* = c

by (*simp-all add: two-player-profile-def*)

lemma *sum-profiles-fixed-Row*:

fixes $F :: (\text{penny-player} \Rightarrow 'a::\text{finite}) \Rightarrow 'b::\text{comm-monoid-add}$

shows $(\sum s \in \{s. s \text{ Row} = x\}. F\ s) =$

$(\sum y \in \text{UNIV}. F\ (\text{two-player-profile } x\ y))$

proof (*rule sum.reindex-bij-witness* [

where $i = \lambda y. \text{two-player-profile } x\ y$ **and** $j = \lambda s. s \text{ Column}$)]

fix $s :: \text{penny-player} \Rightarrow 'a$

```

assume  $s: s \in \{s. s \text{ Row} = x\}$ 
show profile-eq: two-player-profile  $x$  ( $s \text{ Column}$ ) =  $s$ 
proof
  fix  $p$ 
  show two-player-profile  $x$  ( $s \text{ Column}$ )  $p$  =  $s \ p$ 
  using  $s$  by (cases  $p$ ) auto
qed
show  $F$  (two-player-profile  $x$  ( $s \text{ Column}$ )) =  $F \ s$ 
  by (simp add: profile-eq)
qed auto

lemma sum-profiles-fixed-Column:
  fixes  $F :: (\text{penny-player} \Rightarrow 'a::\text{finite}) \Rightarrow 'b::\text{comm-monoid-add}$ 
  shows  $(\sum s \in \{s. s \text{ Column} = x\}. F \ s) =$ 
   $(\sum y \in UNIV. F \ (\text{two-player-profile } y \ x))$ 
proof (rule sum.reindex-bij-witness[
  where  $i = \lambda y. \text{two-player-profile } y \ x$  and  $j = \lambda s. s \text{ Row}$ ])
  fix  $s :: \text{penny-player} \Rightarrow 'a$ 
  assume  $s: s \in \{s. s \text{ Column} = x\}$ 
  show profile-eq: two-player-profile ( $s \text{ Row}$ )  $x$  =  $s$ 
  proof
    fix  $p$ 
    show two-player-profile ( $s \text{ Row}$ )  $x \ p$  =  $s \ p$ 
    using  $s$  by (cases  $p$ ) auto
  qed
  show  $F$  (two-player-profile ( $s \text{ Row}$ )  $x$ ) =  $F \ s$ 
  by (simp add: profile-eq)
qed auto

```

9 Matching Pennies as a Mixed Equilibrium

definition *matching-pennies-payoff-real* ::
 $\text{penny-player} \Rightarrow (\text{penny-player} \Rightarrow \text{coin-side}) \Rightarrow \text{real}$ **where**
matching-pennies-payoff-real $p \ s = \text{real-of-int} \ (\text{matching-pennies-payoff } p \ s)$

interpretation *matching-pennies-mixed*:
finite-type-game *matching-pennies-payoff-real* .

lemma *matching-pennies-pure-deviation-Row*:
matching-pennies-mixed.pure-deviation-payoff $\text{Row } x \ m =$
 $(\sum y \in UNIV.$
matching-pennies-mixed.prob $m \ \text{Column } y \ *$
matching-pennies-payoff-real $\text{Row} \ (\text{two-player-profile } x \ y))$
by (*simp add*: *matching-pennies-mixed.pure-deviation-payoff-def*
matching-pennies-mixed.opponent-weight-def *sum-profiles-fixed-Row*)

lemma *matching-pennies-pure-deviation-Column*:
matching-pennies-mixed.pure-deviation-payoff $\text{Column } x \ m =$
 $(\sum y \in UNIV.$

```

    matching-pennies-mixed.prob m Row y *
    matching-pennies-payoff-real Column (two-player-profile y x))
by (simp add: matching-pennies-mixed.pure-deviation-payoff-def
    matching-pennies-mixed.opponent-weight-def sum-profiles-fixed-Column)

```

```

lemma matching-pennies-uniform-pure-deviation-payoff:
  matching-pennies-mixed.pure-deviation-payoff i x
  matching-pennies-mixed.uniform-mixed-profile = 1 / 2
by (cases i; cases x)
  (simp-all add: matching-pennies-pure-deviation-Row
  matching-pennies-pure-deviation-Column matching-pennies-payoff-real-def
  matching-pennies-payoff-def)

```

```

lemma matching-pennies-uniform-mixed-payoff:
  matching-pennies-mixed.mixed-payoff i matching-pennies-mixed.uniform-mixed-profile
  = 1 / 2
by (simp add: matching-pennies-mixed.mixed-payoff-def
  matching-pennies-uniform-pure-deviation-payoff)

```

```

lemma matching-pennies-uniform-mixed-Nash:
  matching-pennies-mixed.mixed-Nash-equilibrium
  matching-pennies-mixed.uniform-mixed-profile
by (auto simp: matching-pennies-mixed.mixed-Nash-equilibrium-def
  matching-pennies-uniform-pure-deviation-payoff
  matching-pennies-uniform-mixed-payoff)

```

10 Rock-Paper-Scissors

```

datatype rps = Rock | Paper | Scissors

```

```

instantiation rps :: finite
begin

```

```

instance

```

```

proof

```

```

  show finite (UNIV :: rps set)

```

```

    by (rule finite-subset[of - {Rock, Paper, Scissors}]) (auto intro: rps.exhaust)

```

```

qed

```

```

end

```

```

lemma UNIV-rps [simp]: (UNIV :: rps set) = {Rock, Paper, Scissors}
  by (auto intro: rps.exhaust)

```

```

fun beats :: rps ⇒ rps ⇒ bool where
  beats Rock Scissors = True
| beats Paper Rock = True
| beats Scissors Paper = True
| beats - - = False

```

definition *rps-payoff* :: *penny-player* \Rightarrow (*penny-player* \Rightarrow *rps*) \Rightarrow *real* **where**

rps-payoff *p* *s* =
 (if *s* *Row* = *s* *Column* then 0
 else if *beats* (*s* *Row*) (*s* *Column*)
 then if *p* = *Row* then 1 else -1
 else if *p* = *Row* then -1 else 1)

interpretation *rps-mixed*:

finite-type-game *rps-payoff* .

lemma *rps-pure-deviation-Row*:

rps-mixed.pure-deviation-payoff *Row* *x* *m* =
 ($\sum y \in UNIV. rps-mixed.prob\ m\ Column\ y * rps-payoff\ Row\ (two-player-profile\ x\ y)$)
 by (*simp* *add*: *rps-mixed.pure-deviation-payoff-def* *rps-mixed.opponent-weight-def* *sum-profiles-fixed-Row*)

lemma *rps-pure-deviation-Column*:

rps-mixed.pure-deviation-payoff *Column* *x* *m* =
 ($\sum y \in UNIV. rps-mixed.prob\ m\ Row\ y * rps-payoff\ Column\ (two-player-profile\ y\ x)$)
 by (*simp* *add*: *rps-mixed.pure-deviation-payoff-def* *rps-mixed.opponent-weight-def* *sum-profiles-fixed-Column*)

lemma *rps-uniform-pure-deviation-payoff*:

rps-mixed.pure-deviation-payoff *i* *x* *rps-mixed.uniform-mixed-profile* = 0
 by (*cases* *i*; *cases* *x*)
 (*simp-all* *add*: *rps-pure-deviation-Row* *rps-pure-deviation-Column* *rps-payoff-def*)

lemma *rps-uniform-mixed-payoff*:

rps-mixed.mixed-payoff *i* *rps-mixed.uniform-mixed-profile* = 0
 by (*simp* *add*: *rps-mixed.mixed-payoff-def* *rps-uniform-pure-deviation-payoff*)

lemma *rps-uniform-mixed-Nash*:

rps-mixed.mixed-Nash-equilibrium *rps-mixed.uniform-mixed-profile*
 by (*auto* *simp*: *rps-mixed.mixed-Nash-equilibrium-def* *rps-uniform-pure-deviation-payoff* *rps-uniform-mixed-payoff*)

end

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