IoT, AI, and Blockchain for .NET

Building a Next-Generation Application from the Ground Up

Nishith Pathak Anurag Bhandari

IoT, AI, and Blockchain for .NET

Nishith Pathak Kotdwara, Dist. Pauri Garhwal, India Anurag Bhandari Jalandhar, Punjab, India

ISBN-13 (pbk): 978-1-4842-3708-3 https://doi.org/10.1007/978-1-4842-3709-0 ISBN-13 (electronic): 978-1-4842-3709-0

Library of Congress Control Number: 2018952633

Copyright © 2018 by Nishith Pathak and Anurag Bhandari

This work is subject to copyright. All rights are reserved by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

Trademarked names, logos, and images may appear in this book. Rather than use a trademark symbol with every occurrence of a trademarked name, logo, or image we use the names, logos, and images only in an editorial fashion and to the benefit of the trademark owner, with no intention of infringement of the trademark.

The use in this publication of trade names, trademarks, service marks, and similar terms, even if they are not identified as such, is not to be taken as an expression of opinion as to whether or not they are subject to proprietary rights.

While the advice and information in this book are believed to be true and accurate at the date of publication, neither the authors nor the editors nor the publisher can accept any legal responsibility for any errors or omissions that may be made. The publisher makes no warranty, express or implied, with respect to the material contained herein.

Managing Director, Apress Media LLC: Welmoed Spahr

Acquisitions Editor: Joan Murray Development Editor: Laura Berendson Coordinating Editor: Nancy Chen

Cover designed by eStudioCalamar

Cover image designed by Freepik (www.freepik.com)

Distributed to the book trade worldwide by Springer Science+Business Media New York, 233 Spring Street, 6th Floor, New York, NY 10013. Phone 1-800-SPRINGER, fax (201) 348-4505, e-mail orders-ny@springer-sbm.com, or visit www.springeronline.com. Apress Media, LLC is a California LLC and the sole member (owner) is Springer Science + Business Media Finance Inc (SSBM Finance Inc). SSBM Finance Inc is a **Delaware** corporation.

For information on translations, please e-mail rights@apress.com, or visit http://www.apress.com/rights-permissions.

Apress titles may be purchased in bulk for academic, corporate, or promotional use. eBook versions and licenses are also available for most titles. For more information, reference our Print and eBook Bulk Sales web page at http://www.apress.com/bulk-sales.

Any source code or other supplementary material referenced by the author in this book is available to readers on GitHub via the book's product page, located at www.apress.com/9781484237083. For more detailed information, please visit http://www.apress.com/source-code.

Printed on acid-free paper

Nishith dedicates this book to

Jai Gurudev

To the most important person in my life, my mother, the late Bina Pathak, for her guidance, sacrifices, prayers, and blessings, which made me what I am today. I miss her each day. To my father, Pankaj Pathak, for teaching me to do what I believe in. You are and will always be my role model and my hero for my entire life. To my Sadh-Gurudev, who has been an eternal guiding force and entirely changed my life. To my grandfather, the late Mahesh Chandra Pathak, for his blessings and moral values.

To my wife, Surabhi, for bearing with me, sacrificing her splendid career for our family, and always staying by my side through all the ups and downs. Getting married to you is the most beautiful thing in my life. You have given me the most precious diamond of my life, Shikhar, whom I love more than anyone else. I know this book has taken a lot of me and I haven't been able to spend enough time with you, Papa, and Shikhar for the past year since I've been working tirelessly to give this pleasant surprise. Surabhi and Shikhar, this book would not have been possible without all of your sacrifices.

To my lovely sister, Tanwi, and my niece, Aadhya—your smiling faces give me a lot of strength and inspiration to do better each day. To my Guruji, JP Kukreti, SS Tyagi, and Rajesh Tripathi, who have been there for me countless times and always provide me with comfort, understanding, spiritual beliefs, and lots of motivation.

Lastly, I thank God for blessing me with such wonderful people in my life.

Anurag dedicates this book to his late grandfather— Dr. Y.P. Bhandari—a tireless, unretired, and always learning doctor who was an evergreen source of inspiration to Anurag and hundreds of radiologists in India. To his late grandmother—Mrs. Kaushalya Bhandari—an epitome of sacrifice, selflessness, and righteousness. Mrs. and Dr. Bhandari passed away recently onto the heavenly realms a few days after one another. To his maternal grandmother—Mrs. Kailashwati Sood—for her unending love and motivation. To his father—Pardeep Bhandari—for his sagely advice, composure, ideas, and for always being there. To his mother (from whom he inherits his creative genes)—Meenakshi Bhandari—for imparting him ethos and values, and for being a constant motivation, apart from being evercaring and ever-forgiving. To his sister—Ashima Bhandari—for being his best friend and biggest teacher and for being his "big data" memory bank. To his wife—Divya Malhotra—for being understanding and motivating, and for being the perennially cheerful person that she is.

Table of Contents

ADOUT THE AUTHORS	
About the Technical Reviewer	xv
Acknowledgments	
Introduction	xix
Chapter 1: The Artificial Intelligence 2.0 Revolution	1
Artificial Intelligence	3
Al in the Old Days	5
Status Quo	6
The Buildup to Al 1.0 Revolution	7
Machine Learning	7
Creating Al-Enabled Applications	8
What Is AI 2.0?	10
Early Warning Systems for Wildlife	10
Azure Cognitive Services	11
The Internet of Things	12
A More Technical Definition	13
What's the Use of IoT?	14
Azure IoT Suite	14
Blockchain	16
What Is Blockchain?	16
How Can Blockchain Help?	18
Azure Blockchain Solutions	20
It Is All About Data	20
Why Is Data So Important?	21
How Data Collection Has Evolved	21

Smart Hospitals	23
Recap	24
Chapter 2: Understanding the Internet of Things and Azure IoT Suite	25
The History of IoT	
IoT Devices	28
Sensors and Actuators	29
Enablers	30
Products	35
Network Connectivity	36
Messaging	36
Edge Computing	40
Practical Use Cases	41
Use Case 1: Home Automation	41
Use Case 2: Indoor Navigation	42
Use Case 3: Pet Monitoring	43
Use Case 4: Process Optimization	43
Configuring and Deploying a Single IoT Device	44
Raspberry Pi	44
Arduino	44
Beacons	44
What About Deploying Code to Multiple IoT Devices at Once?	45
Azure IoT Suite	45
IoT Solution Architecture	46
Preconfigured Solutions	47
Azure IoT Hub	49
Configuring and Deploying Multiple IoT Devices at Scale	50
Recap	51
Chapter 3: Creating Smart IoT Applications	53
Use Case: Centralized Patient Monitoring	53
The Problem	
The Solution	54

Getting an Azure Subscription	56
Creating an IoT Hub	59
Creating Device Identities	63
Using Code	63
Using the Portal	68
Creating a Simulated Device	69
Creating the Application	69
Running the Application	73
Creating the Solution Backend	74
Creating the Application	74
Running the Application	82
Writing an IoT Application for Raspberry Pi	85
Setting Up Your Pi	86
Connecting to Pi via SSH	86
Installing node.js	88
Creating the Application	89
Recap	94
Chapter 4: Understanding Cognitive APIs	97
What Are Cognitive Systems?	98
Why the Microsoft Cognitive API?	99
Microsoft's Cognitive Services	101
Vision	102
Speech	107
Language	111
Knowledge	115
Search	120
Recan	124

Chapter 5: Consuming Microsoft Cognitive APIs	125
Free Tier and Pay Per Use Model	126
Understanding the Prerequisites	127
How to Get the Subscription Key for Cognitive Services	128
Creating the Azure Account	129
Getting the Subscription Key from Azure Portal	
Testing the API	136
Creating Your First Smart Cognitive Application	137
Steps for Consuming the Cognitive API	139
Build the HttpClient Instance	140
Build the Http Request Object with Appropriate Parameters	140
Calling Microsoft Cognitive Vision API	141
The Result of Your Code	144
Let's Do Something a Little More Interesting	144
The Output	145
Your Next Tasks	146
Recap	146
Chapter 6: Building Smarter Applications Using Cognitive AF	Pls147
Microsoft's Mission and NLU	
Language Understanding Intelligent Service (LUIS)	
Designing on LUIS	
Design Guidelines for Using LUIS	153
Plan Your Scope First	155
Identifying Intents and Entities	156
Creating a Data Dictionary for LUIS	158
Getting a Subscription Key for LUIS	160
Apply the Subscription	162
Applying the Subscription Key in LUIS	163
Adding Intent and Entities	164
Training and Testing LUIS	165
Publishing LUIS App	167
Using a LUIS Endpoint	167

	Interaction with Speech	168
	Getting Started with Bing Speech API	169
	Speech to Text	169
	Getting the JWT Token	169
	Code Walkthrough	172
	Text to Speech	172
	Code Walkthrough	174
	Identifying and Recognizing Faces	175
	What Does the Face API Work?	175
	How Does Asclepius Achieve Strong Surveillance?	175
	Getting Keys for the Face API	176
	Creating a Person and Person Group	177
	Add Faces	180
	Training Is the Key	181
	Using the Face API for Authentication	181
	Your Assignment	184
	Recap	185
)	Chapter 7: Understanding Blockchain	187
	The History of Cryptocurrency	
	Era of Gold Coins	
	FIAT Currency	
	Using Checks	
	Promises of E-Wallet	
	The Financial Crisis Broke the Trust	
	Blessings in Disguise: Bitcoin	192
	What Is Bitcoin?	
	Centralized Systems	
	Decentralized Systems	
	Distributed Systems	

What Is Blockchain?	198
What Is a Block?	204
Benefits of Blockchain	205
Smart Contracts	206
Ethereum	207
Types of Blockchain	208
Recap	209
Chapter 8: Implementing Blockchain as a Service	211
Enterprise Ethereum Alliance	
Understanding Ethereum Jargon	
Setting Up Ethereum	216
Ethereum Default Admin Site	226
Smart Contracts in Asclepius	231
Developing Smart Contracts	232
Understanding the Code	238
Recap	242
Chapter 9: Capturing, Analyzing, and Visualizing Real-Time Dat	a 243
Azure Stream Analytics	244
Performing IoT Stream Data Analysis	247
Creating an Azure Stream Analytics Job	247
Adding an Input to an ASA Job	248
Testing Your Input	249
Adding an Output to an ASA Job	254
Testing Your Output	257
Visualizing ASA Results Using Power BI	259
Adding Power BI as an Output in an ASA Job	260
Updating the SA Query	261
Creating Dashboards in Power BI	262
Next Steps	263
Recan	265

Chapter 10: Making Predictions with Machine Learning	267
What Is Machine Learning?	268
ML and Data Science	270
A Quick Look at the Internals	272
Problems that ML Solves	277
Classification	277
Regression	279
Anomaly Detection	279
Clustering	281
Types of Machine Learning	281
Supervised Learning	282
Unsupervised Learning	282
Reinforcement Learning	282
Azure Machine Learning Studio	283
Picking an Algorithm	284
Using Azure ML Studio to Solve a Problem	285
Signing Up for Azure ML Studio	286
Creating an Experiment	286
Importing Data	287
Preprocessing Data	289
Defining Features	292
Splitting Data	293
Applying an ML Algorithm	293
Training the Model	294
Scoring and Evaluating the Trained Model	294
Deploying a Trained Model as a Web Service	296
Recap	297
Index	200

About the Authors



Nishith Pathak is India's first artificial intelligence Microsoft Most Valuable Professional (MVP), a Microsoft Regional Director (RD), an architect, an international speaker and author, an innovator, and a strategist. He is a prolific author and has written more than half a dozen international books, articles, reviews, and columns for multiple electronic and print publications across the globe, including his latest book, *Artificial Intelligence for .NET* (Apress, 2017). Nishith is an international speaker, is featured in many big tech and research conferences as a panelist, and has given many keynotes across the globe.

Nishith has two decades of experience in IT, with expertise in innovation, research, architecting, designing, and developing applications for Fortune 100 companies using next-generation tools and technologies that incorporate AI, ML, cognitive services, Blockchain, and more.

Nishith is one of 19 Microsoft MVPs worldwide in AI and the only one in India. He was recently awarded elite Microsoft Regional Directors (RD), making him one of the 150 world's top technology visionaries chosen for their cross-platform expertise and community leadership. He is a gold member and sits on the advisory board of various national and international computer science societies and organizations. He has been awarded the Microsoft Most Valuable Professional (MVP) several times for his exemplary work and his expertise in Microsoft technologies. He is a member of various advisory groups for Microsoft. Nishith is currently the vice president of Accenture Technology Labs.

ABOUT THE AUTHORS



Anurag Bhandari is a researcher, educator, and programmer with a wealth of experience in architecting and developing end-to-end IT solutions for enterprises and startups. An early adopter of technologies, he has extensively worked on a breadth of artificial intelligence technologies, such as machine/deep learning, natural language processing, natural language understanding, and computer vision. A polyglot programmer, he specializes in creating rich applications for the web and for mobile.

As an educator, Anurag has developed multiple programming courseware. He has trained students in India and in the United States on various technologies, such as enterprise web development and data analytics. He has made significant contributions to several technical books, more recently as a contributing author of *Artificial Intelligence for .NET* (Apress, 2017).

Anurag is a graduate in computer science from National Institute of Technology, Jalandhar. He became a Microsoft Certified Professional at the age of 18. He is a member of Association of Computing Machinery (ACM), and has published research papers through reputed journals. He regularly speaks at national and international tech conferences. He is an ardent open-source evangelist, whose love for free software helped him found the Granular Linux project 11 years ago.

Anurag is currently a working as a senior researcher at Accenture Labs, where he designs next-generation AI, ML, and IoT solutions for clients.

About the Technical Reviewer

Fabio Ferracchiati is a senior consultant and a senior analyst/developer using Microsoft technologies. He works at BluArancio S.p.A (www.bluarancio.com) as a senior analyst/developer and Microsoft dynamics CRM specialist. He is a Microsoft Certified Solution Developer for .NET, a Microsoft Certified Application Developer for .NET, a Microsoft Certified Professional, and a prolific author and technical reviewer. Over the past 10 years, he's written articles for Italian and international magazines and co-authored more than 10 books on a variety of computer topics.

Acknowledgments

This book has been a team effort by some wonderful people. Nishith would like to thank his family, especially his wife, Surabhi, his father, Pankaj Pathak, and his son, Shikhar for being kind and supportive, believing in him, and making his dreams come true. He would like to thank his Guruji, Mr. J P Kukreti, for always inspiring and supporting him. You all are Most Valuable Person (MVPs) to me. Anything I do in my life would not be possible without you.

Anurag would like to thank his father (Pardeep Bhandari), mother (Meenakshi Bhandari), and sister (Ashima Bhandari) for their continuous push to question the status quo and learn new things; he thanks them for being his best critics. He would also like to thank his wife (Divya) for being patient and understanding all through the tough stretches of writing chapters, during which time he would disappear into his study room.

The authors thank all the people at Apress who put their sincere efforts into publishing this book. Gwenan deserves special thanks. Thanks to Nancy and Laura for doing a fabulous job of project management and constantly pushing us to do our best. We would also like to thank Fabio Ferracchiati for dedicating the many hours that went into an extensive tech review.

Introduction

We are in midst of a technological revolution. As with previous revolutions, an inability to adapt to the new ways will make your existing developer skills obsolete sooner than later. Starting with the Cloud revolution, Big Data, Internet of Things (IoT), and Artificial Intelligence (AI) have all changed the landscape of software development. As we enter a new era of AI and IoT, we have another technology currently creating disruptive waves across the globe. This new technology is Blockchain. The lethal combination of IoT and Blockchain, powered by AI, is ready to revolutionize software development yet again. We are talking about the AI 2.0 revolution.

This book introduces you to each component of AI 2.0 and Industry 4.0 in detail, viz. AI, IoT, Blockchain, and machine learning. Building on a strong conceptual base, it will provide methodical, hands-on and step-by-step approaches to solving practical real-world problems. In each "applied" chapter, you will build one module of our example solution for a fictional smart healthcare chain.

The book starts with quick and interesting introductions to AI, IoT, and Blockchain, and explains how these will be used in creating smart hospitals.

It then delves deeper into IoT concepts a developer must know and gives you a good understanding of Azure IoT Suite. From there, you build a centralized patient monitoring solution using real and fake IoT devices, leveraging the incredible power of IoT Suite.

The book then talks in detail about artificial intelligence, the various tasks that make up AI, and how developers—who do not need a background in applied mathematics—can use Azure Cognitive Services to make their applications smart and offer richer experiences to end users.

The book introduces the complex topic of Blockchain in ways that are easy to comprehend even by absolute beginners. It then teaches you to apply Blockchain in real life—using Azure Blockchain-as-a-Service—by letting you design your own trust-based security and inventory management solution for our fictional chain of smart hospitals.

Real-time analysis of data received by IoT devices is sometimes useful in extracting key insights and at other times imperative in making crucial business decisions. You will learn to perform real-time analysis of IoT data at scale—saving thousands of lives on the way—using Azure Stream Analytics and PowerBI.

INTRODUCTION

The book concludes with a detailed understanding of crucial machine learning concepts and a hands-on exercise where you create an ML-based diabetes prediction solution in Azure Machine Learning Studio.

Who Is This Book For?

This book is targeted toward novice and intermediate developers who are curious about artificial intelligence, the Internet of Things (IoT), and Blockchain, and want to know how these work together to create next-gen software solutions. People who are curious about phenomena such as Industry 4.0 will also benefit. Developers and architects with no previous experience with .NET who want to apply the new technologies in their applications will benefit greatly from the discussion and code samples in this book.

Prerequisites

To get the most out of this book, you need the .NET Framework and an Internet connection, although not all the code samples are written in C#. We recommend using Microsoft Visual Studio 2017 as the development environment to experiment with the code samples, which you can find in the Source Code section of the Apress website (www.apress.com).

Obtaining Updates to This Book

As you read through this text, you may find the occasional grammatical or code error (although we sure hope not). If this is the case, our sincere apologies. Being humans, we are sure that a glitch or two may be present, regardless of our best efforts. You can obtain the current errata list from the Apress website (located once again on the home page for this book), as well as information on how to notify us of any errors you might find.

Contacting the Authors

If you have any questions regarding this book's source code, are in need of clarification for a given example, simply want to offer your thoughts regarding AI, or want to contact us for other needs, feel free to drop us a line at nispathak@gmail.com or anurag.bhd@gmail.com. We will do our best to get back to you in a timely fashion.

Thanks for buying this book. We hope you enjoy reading it and putting your newfound knowledge to good use.